

CONFIDENTIAL

**MAYOR'S TASK FORCE
BUSINESS RETENTION
SURVEY**

FINAL REPORT

SEPTEMBER 1992

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**Mayor's Task Force
BUSINESS RETENTION SURVEY**

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INTERVIEW NUMBER: 1
DATE: 6/2/92
CONTACT: Sal DiMauro

NAME: Sal DiMauro
TITLE: President
COMPANY: Continental Fab, Inc.
ADDRESS: 50 Walnut Street
Middletown, CT 06457
PHONE: 346-2909

The owner reports that business conditions have been very difficult in 1990 and 1991. His expectations are that 1992 and 1993 will not be good. Note that recent employment trends have been declining. Employment has declined from a full time staff of 21 to the present 10 employees.

During the past few years, the company's primary customers have been Pratt & Whitney and Combustion Engineering. The shop fabricates for these customers as a sub-contractor.

The company operates with large scale steel and welding equipment. The owner would like to increase his production capacity by purchasing a specialized piece of fabrication machinery during the summer. However, given his business trends and business conditions, this is unlikely.

This company requires large volume inexpensive space for metal fabrication. This company would not be a good candidate for relocation to a more prestigious industrial park location.

In general, the owner reports that his relationship with the City of Middletown is satisfactory. However, he did express significant dissatisfaction with the school system. He reported that he had recently moved to Easthampton from Middletown as a direct result of deficiencies and problems that he perceived with the Middletown school system.

The owner would like further information on small business set-aside programs and business counseling services which might be available to him. In general, he did not want any information on loan programs. He noted that he was operating on a cash basis. He also noted that previous efforts with governmental manpower and job training programs had not worked out well and that the program participants were inadequately trained and motivated.

City make an effort to coordinate the transportation of seniors to the store on more frequent shopping trips. Editorial Note: this same request will surface at many of the retail interviews.

acquisition and conversion. Finally, the Farmers branch bank location offers expansion possibilities in the future. Mr. Turecek reports that his plan is to grow from an initial 5,000 square feet of sales and manufacturing space (plus or minus twenty employees) up to 20,000 square feet within the next five years. This opportunity should not be ignored.

INTERVIEW NUMBER: 5
DATE: 6/3/92
CONTACT: Peter & Pat Bourdon

NAME: Peter & Pat Bourdon
TITLE: Owners
COMPANY: Bourdon Forge Company, Inc.
ADDRESS: 99 Tuttle Road
Middletown, CT 06457
PHONE: 632-2740

The Bourdon Forge Company is in the process of recovering from a Chapter 11 Bankruptcy filing. This bankruptcy filing was brought on primarily by the credit crunch and prior business practices of the firm. The present owners, Pat & Peter Bourdon have worked diligently during the past three years to resurrect the firm. The firm presently employs 85 people in the shop and it is estimated that at least one-half of them live in Middletown. The firm has expansion plans and would, with adequate debt financing, increase the building size by 20,000 square feet and add another \pm 20 employees.

While the firm has enjoyed annual sales of 6.6 million dollars, it is struggling under excessive debt. Presently, their 2.2 million dollar Connecticut Savings Bank mortgage has been assumed by the FDIC. The FDIC is pressuring the Bourdons to refinance as quickly as possible. However, in this market place bank refinancing is not a viable option available to them. They have need for refinancing of the mortgage as well as a loan of \pm \$250,000 to develop a new product line (a double snap safety hook).

In addition, there are certain local issues which the City might assist with and which would be helpful in keeping the company in business and in Middletown. Specifically, there are outstanding personal property taxes past due and water bills past due. There is, apparently, City property at the rear of the lot which could be made available for the expansion of the Bourdon Forge. In addition, economic development rates from NE Utilities and some assistance with data collection regarding business development in the southeast would prove beneficial. In other words, the City's economic development staff could be very helpful in assisting the Bourdon Forge to prosper and grow. If the City would assist with some term payment provisions for past due water bills and personal property taxes, and if the City would facilitate the sale of land to the Bourdon Forge, it could prove beneficial to the City in the long run.

It should be noted that the Bourdon Forge Company is investigating and considering a move to another state where labor, taxes, and insurance are less costly.

The Bourdon family has not availed themselves of any State of Connecticut or Federal business assistance programs as of this date. They have, however, discussed a refinancing with the CDA. Their

experience with CDA was not particularly pleasant. Their application was sent to ABCC Credit in Wethersfield and they were rejected for "cause".

This firm appears to be a viable employer of low and moderately skilled shop workers in Middletown. Any efforts by the City to assist them with stability and long-term growth should prove in the best interest of the City and its residents.

INTERVIEW NUMBER: 6
DATE: 6/3/92
CONTACT: Paul Gousse

NAME: Paul Gousse
TITLE: President
COMPANY: Color Mart
ADDRESS: 41 Broad Street
Middletown, CT 06457
PHONE: 347-7261

Color Mart has two distinct lines of merchandise for retail trade. The first, art supplies and framing supplies are marketed primarily to Wesleyan University students. Secondly, the business carries paints, window treatments, and other home decorating merchandise. The students at Wesleyan represent a predominant share of Color Mart's business. Local home owners, generally women from Middletown, Durham and Middlefield also shop at the store. The firm has retrenched to reflect the quiet economy and a significant decline in sales. The owner characterizes the business as in a "no growth, holding steady pattern" and he says that he is carefully watching his overhead and operating costs.

This firm has been hard hit by the credit crunch and the owner reports that his line of credit was withdrawn by Farmers & Mechanics Bank. He characterizes his present banking relationship as very unsatisfactory.

The primary concern of this business man is the perception that Broad Street retail is not part of the downtown Central Business District. He feels that the Chamber and the City do not emphasize the entire downtown area. Rather, he feels there is an over emphasis on the Main Street portion of the Central Business District. While Broad Street has limited retail, it does have (and had in the past) a retail environment that was considered a vital portion of downtown Middletown.

The business is being operated almost exclusively on a cash flow basis and can probably survive the present downturn. Note that sales to Wesleyan students for art supplies and framing materials are less likely to fluctuate when the economy shifts. Therefore, his core business tends to be more stable although it may be less robust in 1992 than in previous years.

The owner reports absolutely no interest in business assistance or credit assistance through State, Federal or City programs. However, the owner would be amenable to working with City officials on buttressing the Broad Street retail trade area.

A final note: The Chamber could make an effort to emphasize Broad Street merchants during the annual sidewalk sale days.

INTERVIEW NUMBER: 7
DATE: 6/4/92
CONTACT: Jim Matschulat

NAME: James O. Matschulat
TITLE: President & CEO
COMPANY: Middlesex Mutual Assurance Company
ADDRESS: 213 Court Street
Middletown, CT 06457
PHONE: 347-4621

According to Jim Matschulat, his company has been battered during the last two years by two significant business elements.

First, although not necessarily most significant, is the failure of their new business headquarters to lease up. As we all know, this building was designed and constructed during the boom times of the 80's and was intended to act as a showcase for new and expanding Middletown businesses. However, the building came on line after the peak of the market and has been a significant failure in the commercial office lease market.

Jim notes, however, that the failure to lease is not a function of the quality or location of the property. Rather, he acknowledges that he has an over supply of commercial space in a very slow market. In addition, he questions the long-term viability of Middletown to attract and retain quality businesses. There is a perception on the part of Middlesex Mutual Assurance Company that Middletown and its blue-collar character are inimical to first class quality businesses.

A second major economic determinant of Middlesex Mutual Assurance Company's profitability has to do with the slow economy in general. Most of Middlesex Mutual's new business is written as a result of new car purchases and new home sales. Thus, when the housing market and the automobile market decline, there is less need for a new policy and new insurance business. This recession has had a dramatic effect on the growth and creation of new policies at Middlesex Mutual with a corresponding negative effect on company earnings.

There is obvious tension between Middlesex Mutual and the City of Middletown. Based upon the interview, we could observe that the company feels it is receiving inadequate services in return for the benefits it feels it supplies to the city. Specifically, the police protection provided to the firm and its employees is judged woefully inadequate. The company's perception is that "first class" business in a "first class" environment requires "first class" police protection. This means, in effect, a strong effort to keep "undesirables" away from this property. The perception is that this service is not presently being provided to the firm.

A second major source of tension has arisen from the protracted and apparently unpleasant negotiations with the City surrounding the

redevelopment plan for that property. Generally, we found strong negative feeling which remains as the residue from the negotiating process. While the end product may (or may not) reflect the goals of the redevelopment plan, it is clear that the Middlesex Mutual investment has not been a pleasant experience. In general, the senior staff feels that dealing with Middletown officials is overly difficult and not productive. Therefore, there seems to be a strong feeling that future growth and/or expansion will be targeted to areas outside of Middletown.

It might prove helpful and useful to suggest a joint marketing effort with the City. This marketing effort could be targeted specifically towards the Middlesex Mutual building but would prove extremely helpful to the City in its overall economic development programs.

In general, the senior management at Middlesex Mutual feel that fence mending is not worth the effort. They characterize the relationship with the City of Middletown as having "too much scar tissue".

INTERVIEW NUMBER: 8
DATE: 6/4/92
CONTACT: Darwin Gillett

NAME: Darwin L. Gillett
TITLE: President
COMPANY: Formatron Equipment Corporation
ADDRESS: 128 Main Street Extension
Middletown, CT 06457
PHONE: 346-9207

This old line manufacturer of beauty parlor equipment was recently purchased by outside investors. Darwin Gillett, one of the three principal investors has revitalized company management and refocused its marketing and sales efforts. Specifically, the firm is attempting to establish joint venture relationships with beauty parlor equipment distributors throughout the Atlantic seaboard area. This joint venture relationship will allow Formatron to establish reasonably low cost sales showrooms at various locations from New England to Florida.

In order to construct these working showrooms and salon sales areas, the company is seeking working capital. They have approached the CDA for a \$200,000 working capital loan. After four months, the CDA has yet to give an affirmative or negative answer. Therefore, the company owners are extremely frustrated and anxious. Anything the City of Middletown could do to assist and promote this CDA request could be (would be) good for the company and good for the City.

The firm presently employs approximately 40 full time employees and of these, 75% live in Middletown. If the sales and marketing strategy outlined above can be implemented, the expectation is that sales will dramatically increase. If so, there is an operative business plan to increase from 40 to approximately 60 employees at this location.

In addition, this firm presently leases the 60,000 square feet building at this location. The lease expires in 1996. If the firm is able to expand and refocus its marketing and sales efforts, there is a very real likelihood that new, upgraded facilities would be needed in 1996 at the time of the lease expiration. Therefore, with a certain amount of effort, the City could capture not only new jobs for City residents, but also a new manufacturing facility in excess of 60,000 square feet

The City Economic Development Department should focus on assisting this firm with either CDA or alternative working capital financing which would assist the firm to grow and expand. At this time, they have no working relationship with the City of Middletown nor with the State of Connecticut other than their CDA experience. Thus, it is imperative that City staff aggressively undertake a business retention effort with this firm.

INTERVIEW NUMBER: 9
DATE: 6/8/92
CONTACT: Phil Redford

NAME: Philip H. W. Redford
TITLE: President
COMPANY: Middletown Plate Glass Company, Inc.
ADDRESS: 40 Union Street
Middletown, CT 06457
PHONE: 347-2581

This traditional Middletown firm has a varied mix of retail and wholesale products. The firm sells plate glass, windows and window glass, framing and art supplies (including stained glass), auto glass, and miscellaneous window or glass related products. The firm's business is comprised of 15% auto glass sales, 10% framing and art supplies, 40% retail at the counter and 35% to contractors for off site installation. The firm carries a wide variety of product lines and various manufacturers. The customers of the firm are primarily located in Middlesex County. There are satellite sales and service offices in Easthampton and Saybrook.

Phil Redford, a long time Middletown resident and business owner, has had several unhappy experiences with the municipal sector. His business views tend to be conservative and focused on cash management issues. In general, he is negative towards Middletown because of the (real or perceived) injustices that he has suffered during the past ten years. Specifically, he focuses on a series of events surrounding redevelopment and the Redevelopment Agency which he claims were inimical to his best interests. Further, he believes that local politicians have too much interest in local businesses and that, therefore, local businesses have too much influence at City Hall.

While his firm is frequently involved with the Building Department, his overriding perceptions of the City staff and City processes are extremely negative. His memories of re-zoning adjacent to his home on Route 66, and the redevelopment of the property surrounding his retail location impact his view of the present administration.

When asked to discuss any interaction with the State of Connecticut, he was most negative and declined strongly to get involved with the State in any way.

His suggestions for improving the business arena in Middletown was to "de-politicize" decision making at City Hall.

INTERVIEW NUMBER: 10
DATE: 6/8/92
CONTACT: Charles Negaro

NAME: Charles Negaro
TITLE: President
COMPANY: Atticus Book Store
ADDRESS: 45 Broad Street
Middletown, CT 06457
PHONE: 344-1296

Atticus Books is one of three retail and wholesale book stores owned by Mr. Negaro. The other stores in New Haven and Amherst also serve university markets. The New Haven store does exceptionally well and is the flagship of his business. The Amherst store, newer and smaller in scale, is growing slowly and is expected to do well in the relatively near future. The Middletown store is well regarded and well received by Wesleyan students.

Seventy-five per cent of the firm's Middletown business comes from Wesleyan students while twenty-five per cent of sales are from walk-in retail trade. In addition, the store has a large text book and special order department.

This business is relatively recession proof. Because the business focuses on school and university book needs, it tends to be less heavily influenced by downturns in the economy. The students' need for text books and reading material remains constant even when the economy is flat. Mr. Negaro characterizes his market as a "captive market".

On the other hand, due to declining sales, the chain has recently emphasized "belt tightening" and improved its management capacities. There have been no retail price increases for the last two years despite wholesale cost increases of $\pm 4\%$ per year.

While book sales and related art sales have held steady, profit margins have been squeezed during the past two years. This is primarily attributable to an inability to raise retail prices despite cost increases in both overhead and merchandise. Further, the credit crunch has had a significant impact on this business.

A proposed cafe in the basement level of the store has not materialized due to a lack of available credit. Mr. Negaro cannot borrow the money necessary to build the cafe at this location. A similar cafe operating in New Haven has proven extremely profitable and productive for his business. The bookstore/cafe combination is well received by the student population at Yale.

Construction plans have been drawn for the cafe. The building permit has not been applied for, nor has it been issued. However, any assistance that the City could provide to this owner in regard to the cafe should be extremely beneficial for the City. Note that Wesleyan University students traditionally claim that the City lacks

adequate entertainment facilities (see Interview #62). Therefore, they tend to leave town and spend their monies elsewhere.

If this cafe could be built on site, it should prove helpful in keeping students in town and satisfying their perceived need for additional entertainment. Additionally, the cafe profits would bolster the long term viability of the Atticus Book Store in Middletown.

Apparently the building department has reviewed and approved the plans for the cafe. According to Mr. Negaro, the zoning for the new cafe was, (has been), approved.

Mr. Negaro vehemently declined any interest in working with the State or Federal Government on additional business matters.

INTERVIEW NUMBER: 11
DATE: 6/8/92
CONTACT: Joe Klimas

NAME: Joseph J. Klimas, Jr.
TITLE: Vice President
COMPANY: Middletown Toyota
ADDRESS: 634 Newfield Street
Middletown, CT 06457
PHONE: 347-7294

This full line automobile dealership has five profit centers - typical for a full service auto dealer. The profit centers are: New Sales; Used Auto Sales; Parts; Service; and Body Shop. Recently business has been "very good." The firm sold over 100 new cars last year. This was the best year since the firm was founded in 1975. The owners are very optimistic about the business, would relocate in Middlesex County again and generally have positive feelings about the City of Middletown.

The largest impediment to the long-term success of this business is the credit crunch. The firm had long dealt with Connecticut National Bank. However, Connecticut National Bank recently pulled three separate lines of credit from the firm. Lines of credit for business operations, used cars and auto leasing were canceled. Fortunately, Toyota Motor Credit has provided adequate credit for the new car sales operation. Presently, the firm does cash management with The Equity Bank in Wethersfield.

The owner reports a feeling that Middletown is "a small closed society". The owner feels that they have had a great deal of difficulty establishing their business base in the community. Their perception is that unless a business owner is Italian and from Middletown you will receive no support from the local community.

Municipal services receive a mixed review. The owner's past experience with the City basically revolve around the approval and development of their sales and service facility on Newfield Street. In general, they feel that the Fire Marshall and Building Department were very helpful. However, water and sewer personnel were perceived as less than helpful, and also as unprofessional. Apparently, certain conflicts over storm water issues arose between the local sewer department and the State of Connecticut. The property owner was caught in the middle of this regulatory process and had a great deal of difficulty obtaining final approvals.

The owners have no (adamantly) interest in working with the State of Connecticut or other governmental agencies on business efforts.

The business owner suggested that the City undertake a training session to make City employees and City staff more "user friendly". Specifically, he pointed out that there is an "us versus them" mentality evident in City Hall. Secondly, the owner suggested that the transfer station and dump presently being operated in the

Newfield Street area are inimical to the long term growth of Newfield Street as a retail portion of the City. He noted that the Newfield Street area is (or has become) a rapidly developing business area and that the "dump" is harmful to the neighborhood.

Finally, the owner was strongly in favor of a business outreach program being established through the economic development staff at City Hall.

INTERVIEW NUMBER: 12
DATE: 6/8/92
CONTACT: Bill Stevenson or
Dennis Goodwin

NAME: William H. Stevenson
TITLE: Vice President Operations
COMPANY: Advanced Belt Technology
ADDRESS: 150 Industrial Park Road
Middletown, CT 06457
PHONE: 632-2211

This manufacturer of endless woven belts was recently purchased by three investor partners. Two of them, Stevenson and Goodwin, are actively involved in the day-to-day operations and the sales activities of the company. The company produces woven drive belts for the photocopy industry, bank machine industry, computer industry, and the mailing industry. Their sales and markets are world-wide.

The new owners are focusing a great deal of their energy and capital on the European marketplace and are very optimistic about the next business cycle. This change in corporate business focus has modified the company from a manufacturing focus to a marketing focus. The owners characterize the company as now being "very customer driven."

The new owners have targeted the European market as an area for expansion. If they are able to expand into this marketplace, they will add up to 60,000 square feet of additional manufacturing space at their present location. Thus, the plant would expand from 85,000 square feet to 145,000 square feet and would probably increase employment by another 35 to 40 staff. In addition, the company is presently adding a \$250,000 specialty machine to the manufacturing process. This machine will be installed this summer.

The firm has very little interaction with the City of Middletown and comments only that its Police and Fire protection are very satisfactory.

The firm has had little interaction with the State of Connecticut or with the Federal Government and any economic development programs. However, the firm is interested in State loan programs if they could be "without lengthy delay and bureaucracy". In addition, they have a strong interest in State and Federal export assistance, although the owners specifically note that they are not interested in government "hand holding".

Both owners note that financing issues are of real importance to the growth and prosperity of the firm. They would willingly and gratefully accept any expansion assistance that the City may offer with tax abatements, job training, credits or other incentives that would make it profitable and help them with their push for the European markets. They also note that they would like to have any

assistance available that might allow them to win Federal contracts through local legislative members. For example, they would actively bid on Post Office equipment if they were given some support by their local legislators.

Finally, the owners note that the City should/could become an aggressive provider of State programs. In other words, the City could become the sales and servicing agent for State programs such as CDA loans which would be of direct benefit to City employers and residents.

In conclusion, this firm has a great deal of upside potential. They are well positioned, well organized, apparently well capitalized, and seem to be well managed. The owners perceive the present plant location as ideal because of its situation adjacent to the highways. Any efforts the City made to retain this business would be of reasonably near-term benefit including a possible 60,000 square feet expansion and 30 to 40 new jobs.

INTERVIEW NUMBER: 13
DATE: 6/9/92
CONTACT: Soll Goldenthal

NAME: Soll M. Goldenthal
TITLE: Vice President & Branch Manager
COMPANY: Advest, Inc.
ADDRESS: 100 Plaza Middlesex
Middletown, CT, CT 06457
PHONE: 347-4491

Soll Goldenthal has only recently become the Branch Manager of the Middletown Advest office. This office, one of seven regional sales offices, has been perceived as a sleepy backwater among the Advest staff. Soll, who lives in Avon, was chosen to become the new Branch Manager of this location. His charge is to revitalize the office and make it more productive and more influential in the marketplace.

Soll is presently in an expansion mode and is re-training all of his staff to be more aggressive and more "user friendly" with their sales efforts. He is actively instituting technological changes and entire system upgrades. The staff is being increased by \pm 10 additional personnel which represents a 100% increase in staff. Finally, he is instituting a re-vitalized marketing focus with seminars and informational materials being made available to the marketplace.

While the company was established in 1922 in Middletown, the local office has been considered very lackluster in its performance. Many of the local brokers and support personnel have been released. Soll is presently looking for top notch sales persons who are client oriented. Of the present staff, he estimates that half live in Middletown and half live within Middlesex County. Soll anticipates an expansion in the floor area of the company from 2500 square feet to 4500 square feet when he relocates to the new Middlesex Mutual Assurance Building.

In the course of our discussion, Soll noted that he has had no interaction with City departments or staff. Additionally, he has had no interaction with State of Connecticut or Federal agencies and did not place any value in government business assistance programs.

Soll's policy recommendations were to insure that information is received by all businesses in Middletown. He noted, that he is not tied into the "information loop" with the Chamber of Commerce. Therefore, he was not aware of many of the business initiatives currently being undertaken in Middletown. Secondly, he suggested that Middletown start a River Front Recapture program similar to that currently under way in Hartford. Finally, he suggested that Middletown promotes the access issue as its primary benefit. Middletown is centrally located in the State and offers convenient immediate access to all parts of the State.

INTERVIEW NUMBER: 14
DATE: 6/9/92
CONTACT: Harry Hart

NAME: Harry R. Hart
TITLE: Operations Manager
COMPANY: United Technology
Carrier Building Systems and Services
ADDRESS: 14 Industrial Park Place
Middletown, CT 06457
PHONE: 632-2662

This 25 person United Technology sales & service facility is focused on heating - cooling and building systems. The Carrier operation offers sales and service of Carrier systems throughout New England. They sell and service major installations, although a majority of their business is done with United Technology properties such as Pratt & Whitney. Harry notes that his market is dominated by United Technology properties and their need for retro-fitting due to the recently announced United Technology consolidation.

In terms of profitability he notes that sales prices are down and profits are flat. Customers are more demanding, expecting superior performance at the lowest possible price.

This location, opened in 1985, provides sales, engineering and service to the New England market. The company would like to expand at their present location and increase from 4,000 square feet to ± 6,000/8000 square feet. This expansion looks dubious at this time due to a difficult landlord/tenant relationship. The company's lease is presently expiring and the manager indicates that relocation is a possibility.

If this operation cannot expand from 4,000 square feet to 6,000/8,000 square feet at this location, it will be relocated to another location outside of Middletown. The difficulty seems to be an intransigence on the landlord's part to offer a lease that is considered acceptable to the tenant. While the location in the industrial park is considered ideal and the firm desires to expand at this location, a possible relocation out of Middletown would not be considered a negative. Middletown is located at the southerly end of the sales territory (northern Maine to New York) and a more centralized office area in North Central Connecticut would be considered imminently acceptable by staff.

Finally, a note about trash removal. Harry is very dissatisfied with trash removal although this may not have anything to do with the City of Middletown. Apparently, the recycling program that is presently in place at this location does not offer Harry the flexibility that he seeks. Additionally, he notes that the frequent HELCO service disruptions are troublesome for his computer systems. He has asked that HELCO service interruptions be coordinated and that advanced notice be given of these disruptions so that computer systems can be shut down prior to power outages.

INTERVIEW NUMBER: 15 & 47
DATE: 6/9/92
CONTACT: Bob Quirk

NAME: Robert F. Quirk
TITLE: President
COMPANY: Alpha Circuits, Inc.
Printed Circuit Services, Inc.
ADDRESS: 331 East Main Street
Middletown, CT 06457
PHONE: 347-0773 or 347-2258

WIFE =
Gloria

These allied businesses were started in the early 80's by three Middletown residents. The businesses specialize in the high tech printed circuit board industry. Alpha Circuits, Inc. produces and manufactures circuit boards for a variety of customers including Hewlett Packard and IBM. Printed Circuit Services, Inc. specializes in service to the circuit board industry including testing and design of prototype products for manufacturers who utilize circuit boards.

The businesses are located in a converted mill building on East Main Street. The firms employ approximately 20 people at this time. However, as recently as 1991, the firm employed over 35 people. This reduction in staff is attributable to a line of credit which was canceled in 1990. Subsequent to 1990 the firm has been operating on cash flow, and has been forced to adopt a belt-tightening mode more in line with cash flow requirements.

The firm currently has orders for products, which, if manufactured on a reasonable basis, would necessitate expansion and additional floor area. However, due to the credit crunch and cash flow restrictions, the firm is unable to adequately service their customer base. If these customers were to be properly serviced, the firm would require an additional 20,000 square feet of manufacturing space, would re-employ all 15 laid off employees, and would add 15 new employees in production.

The Bank of Boston withdrew its line of credit in January of 1990. This \$450,000 line was used for the ongoing operations of the firm. At this time, their banking relationship is characterized as very unsatisfactory.

The firm has been negotiating for a capital improvement loan (\$250,000) with the CDA. Their comment is that it took eight months from the first discussion with CDA to the application stage. This eight-month delay, while considered normal and usual for CDA, is unacceptable in the private sector, and is illustrative of the problems with the CDA loan experience.

The firm has little or no interest in working with the State after the CDA experience.

The City could be helpful to the firm if the past due water bills

and personal property taxes could be paid over a period of time. Please see letter dated June 9, 1992, and a second letter dated June 23, 1992, regarding these issues. Apparently, if the ± \$65,000 were paid over a three-year term, while keeping the current water bills and tax bills up to date, the viability of the firm would be significantly enhanced. This may be an issue that is within the parameters of City assistance and could fit the economic development staff's portfolio.

INTERVIEW NUMBER: 16
DATE: 6/10/92
CONTACT: Judy Cecchini

NAME: Charles T. McInerney
Judy Cecchini
TITLE: Owners
COMPANY: McInerney's Greenhouses
ADDRESS: 929 Middle Street
Middletown, CT 06457
PHONE: 632-0789

McInerney's is suffering dramatically from the proliferation of retail food store florist operations. Specifically, they point to the local Stop & Shop at Russell Square and its Florist Shop as their most significant competitor. Additionally, they have K-Mart and Bradlees in Cromwell which sell flowers during the Spring season. McInerney's is dependent for 95% of its trade upon the retail florist business.

Additionally, telephone orders for specialty occasions such as Teleflora orders have declined due to the economy. Customers are not spending as much on flowers as they had during the past ten years.

McInerney's response to these declining sales has been two fold: first, they have reduced staff and are now using more family members in the greenhouse and florist operations; secondly, they have added cellular telephones to all of the company cars and trucks for more rapid and easy communications. Therefore, they have reduced their overhead cost significantly and improved their service delivery capacity.

McInerney's previously had operated a small retail florist operation in the Aetna complex. However, Aetna declined to renew the lease for this operation and has discontinued most relationships with McInerney's. Occasionally, the Aetna will order flowers for special occasions, but McInerney points out that these orders are infrequent and much smaller than in years past.

McInerney's land and buildings are debt free. The business is, therefore, somewhat resilient in terms of the economic downturn. The owners also note that they have implemented a more contemporary marketing strategy. They are focusing more on direct advertising including direct mail to homeowners in the area and sales calls by staff. McInerney's note that their market area tends to be within five miles of their location which would include parts of Middlefield, Middletown, Durham and Cromwell.

McInerney's have had a long-standing banking relationship with Farmers & Mechanics Bank. However, their lines of credit and capital loans have been canceled within the past two years. They characterize their present banking relationship as very unsatisfactory.

Mr. McInerney is a former Fire Chief of the Westfield Fire Department and as such has strong opinions on the need and obligation for consolidation of the three Middletown fire districts.

INTERVIEW NUMBER: 17
DATE: 6/10/92
CONTACT: Ron Staniszewski

NAME: Ronald Staniszewski
TITLE: Equipment Manager
COMPANY: Sullivan Dental Equipment Corporation
ADDRESS: 362 Industrial Park Road, Suite #2
Middletown, CT 06457
PHONE: 632-7811

Sullivan Dental Equipment, Incorporated purchased the American Dental Supply Corporation, a Middletown firm, in 1989. The Staniszewski family had owned and operated the Middletown firm for some 20 years. Sullivan Dental Equipment, Inc., headquartered in West Dallas, Wisconsin, sells nationally to dentists and others in the dental field. They sell dental supplies, dental equipment and dental furniture primarily to dentists and allied health workers.

Ron Staniszewski formerly co-owner of American Dental, became the local branch manager for Sullivan Dental. The firm occupies 5,000 square feet in the Industrial Park and operates as a sales and service location. The firm employs 10 full time employees and is presently looking for two or three new sales people.

All banking relationships are handled through the national company and this local office maintains only a convenience checking account \pm \$300 at Connecticut National Bank).

Relationships with the City of Middletown are considered generally satisfactory. The location is the primary concern of the firm because of their assigned sales territory. This territory is essentially the State of Connecticut with minor overlaps into Rhode Island, Massachusetts, and New York. There is a larger sales office in New York, and salesmen in Vermont, New Hampshire and Massachusetts. The Connecticut marketplace is considered to be stable despite the lackluster economy.

This sales and service operation typifies the locational preferences of most of the firms in the Industrial Park. They are very pleased with their location because it is adjacent to the highway system and because of the easy access to their marketplace.

However, they have little or no interaction with the City of Middletown and have a difficult time relating to Middletown. They tend to view themselves as being more related to the Cromwell, Berlin and Hartford area than the Middletown Central Business District. However, many firms located in the City, typified by this firm, have familial roots in the greater Middletown area. Specifically, while the firm does not relate in a business sense to the Central Business District, the owners and managers view Middletown as a decaying urban area. Therefore, their suggestions for municipal improvements tend to focus on revitalization of the Main Street corridor and include image issues rather than substance

issues. Note that there were no negative comments about the Industrial Park during the interview process.

INTERVIEW NUMBER: 18
DATE: 6/10/92
CONTACT: Harvey Goldstein

NAME: Harvey Goldstein
TITLE: Vice President
COMPANY: Alfa Studio
ADDRESS: 70 Riverview Center
Middletown, CT 06457
PHONE: 347-4140

Alfa Studio, a portraiture studio has been located in Middletown since 1974. The firm started in 1971 in Chester and moved to the Middletown area three years later. The firm is owned by two brothers, Alan and Harvey Goldstein. The firm specializes in portraiture work and is recognized nationally for the training and expertise of the owners in this specialized medium.

The firm specializes in school and day care photography, wedding portraiture (in-studio only) and black and white publicity or newspaper photography. They do not provide general on-site photography for weddings and other special events. They maintain a 2,000 square feet studio complete with specialty equipment and sophisticated camera systems. The owners view their market as a "niche" and tend to focus on specific areas of interest. However, these markets (publicity photos and portraiture) have been severely impacted by the credit crunch and rising consumer debt. One of the first niceties to be eliminated from a family budget, in the opinion of the owner, is family photograph and portraiture photography.

The firm is actively seeking to relocate their shop and retail studio. They expressed a strong desire to stay in Middletown, preferably in the downtown area. However, their present landlord has been very uncooperative and difficult to deal with in terms of re-negotiating their lease. Their present lease expires in December of 1992. They have examined alternative space in some of the downtown fringe areas. Perhaps some consideration could be given to assisting the business with relocation to a Main Street store front location. They require a high and open work space area for the studio and adjacent laboratory space with water and electrical outlets. This specialty (high-end) photography studio might be viewed as a welcome addition to the Main Street retail sector.

Note that Alfa Studio has been a vocal and strong supporter of the Chamber of Commerce and is actively involved in several Chamber activities including the annual exposition.

The firm has recently begun specialty marketing efforts including, for the first time in its history, a discounting on portraits for families and a more aggressive marketing effort to capture the school photography business. Apparently, the school photography business is very competitive and price sensitive. In this arena, quality is of less concern than price, although there seems to be some allegiance among local school systems to Alfa Studio.

Finally, the owners of Alfa Studio are very active in the Central Business District revival efforts and could become a more valuable resource if they were given more exposure in the downtown area.

INTERVIEW NUMBER: 19
DATE: 6/10/92
CONTACT: Enza Cubeta

NAME: Enza Cubeta
TITLE: Owner
COMPANY: Century 21 - Cubeta Realty
ADDRESS: 955 South Main Street
Middletown, CT 06457
PHONE: 347-4423

Enza Cubeta is a recognized political and business force in Middletown. Her relationship with the Cubeta families and the Mazzotta families is well known. Additionally, she has been extremely active and a valued member of the Chamber of Commerce including a term on the Board of Directors. She is also a very vocal and ardent supporter of Middletown as well as a critic of policies and issues that she feels are inimical to the best interest of the City.

In general, her real estate firm has been "battered" by the real estate recession in much the same manner as other residential real estate firms. Her longevity and capital base have permitted her to remain open and active in business. However, she admits that the market is very slow and that 95% of present business is first time home buyers. She also is candid to admit that she has reduced her overhead (slashed personnel and other costs) to the maximum amount possible. She has reorganized the company to focus on first time home buyers and aggressively market to that segment of the population. Please note that her husband, Al, owns the Meriden Gun Shop on Route 66 and the gun shop is doing very well despite the poor economy.

While the company was started in 1971, it relocated to its present location 4 1/2 years ago. At this time, Enza reports that she has a significant vacancy at the office complex and is actively seeking new tenants. It is important to note that many of her former tenants have not renewed leases including Bascomb & Mignatta (downsizing), Attorney James Ripper (downsizing), and others. In previous conversations, she had indicated that she had several thousand square feet of space available for rent. The ongoing upkeep and maintenance of her vacant property in these difficult economic times, is causing a great burden to the owner as she is quick to admit.

Enza maintains a banking relationship with Farmers & Mechanics Bank and is satisfied with that relationship.

When asked to comment on what the City might do to assist her business, her observations tended to be economic in nature. First, she said that the City should concentrate on building "a stronger local economy". Secondly, the City should free up capital for business use and finally "stop the bleeding." Her observations have merit and are particularly significant given her active involvement

in the business community.

She does not believe that the State can be of value to small businesses at this time. "We must help ourselves and learn to take care of ourselves." As she describes it, the City and the business community must solve their own problems.

She did, however, have many comments about the need and necessity to rebuild Main Street because of its image and its long term impact on the vitality of the City.

INTERVIEW NUMBER: 20
DATE: 6/10/92
CONTACT: Steve Young

NAME: Steve Young
TITLE: President
COMPANY: Young's Printing
ADDRESS: 182 Court Street
Middletown, CT 06457
PHONE: 347-8567

Young's Printing, in business for over 100 years, is struggling with both the credit crunch and with its need for expansion. The firm was recently purchased by the sons, daughters, and son-in-law of the former owner. This present generation of the Young family has made significant improvements in management efficiencies and plant operations. They have, within the confines of the property which they own, increased the operational efficiencies to a significant extent. They have undertaken recent major changes in management, purchasing of supplies and equipment, and staff training. They have instituted a strong training module for TQM and insist that each employee assume responsibility for the quality output of their printing operations.

They have identified a specific target market. Their target market is that niche between the "quick" printers at the lower end of the cost spectrum and full four color offset houses at the upper end of the spectrum. They consider themselves to be a quality, two color specialty shop targeted to commercial and business accounts.

Sales in 1992 were at 1988 prices although the customers demanded 1992 quality and service. They describe the market place as being extremely competitive with the customer insisting upon the very best work at the very lowest possible prices. While they have had a very difficult 1991 and 1992 they are optimistic and expect that 1993 will be more profitable and more productive for the firm.

The company presently occupies 10,000 square feet (the entire building) at their Court Street location. They are planning an expansion, however, for early 1994. They would seriously consider expanding in town and have had preliminary discussions with the owner of the City Tire building on DeKoven Drive. That property owner has not indicated a willingness to negotiate the price and Steve Young reports that he is not optimistic that the sale will go through. If they are unable to purchase a one-floor manufacturing facility in the City of Middletown than they will relocate their business. If they relocate, the expectation is that they will relocate in Rocky Hill because many of their business and customers' accounts come from that area.

The City of Middletown could assist with the relocation and assist with financing of the business in an effort to retain their operation within Middletown. Note that they employ 15 full time people and they would, if they expand, increase the employment base.

They report a modestly satisfactory relationship with Farmers and Mechanics Bank. They do note that they have had difficulty obtaining financing from Farmers and that their working line of credit has been canceled recently.

They are, in general, satisfied with municipal services although they target recent police and public works street improvements as being troublesome. The Department of Public Works was less than cooperative and helpful during the sewer rebuilding project. On the other hand, they report that the Fire Department was extremely helpful when a recent water leak developed in the building.

The Young family would like to bid on City work and has suggested a City policy wherein bids would be awarded to City contractors if they were within 10% of the low bid price. Steve also suggested that the City develop tax incentives to encourage businesses to locate in Town. Third, he suggested that the City become more aggressive in seeking manufacturing plants to relocate in Middletown.

In conclusion, I suggest that staff could meet with the Young family to discuss available options including tax incentives and/or financing programs that might be applicable to their projected increase in space and/or relocation. While the business is stable at the moment, they will need assistance with their expansion plans.

INTERVIEW NUMBER: 21
DATE: 6/11/92
CONTACT: Seb Giacco

NAME: Sebastian Giacco
TITLE: President & Owner
COMPANY: National Paint & Wallpaper Company, Inc.
ADDRESS: 32 Washington Street
Middletown, CT 06457
PHONE: 346-7705

National Paint has been located at its present location for over 15 years and occupies over 6,000 square feet of the building. The building is owned by Seb Giacco with tenants on the second floor including an accounting firm.

Seb reports that most of his customer base are retail consumers and he also reports that most of his customers are from out of town. He observes that Cromwell, Portland, Durham and Middlefield tend to be the home of most of his customers. He reports that he does very little wholesale trade with contractors.

The full service retail paint business operated by Seb has been "battered" during the past several years by a combination of factors including a decline in home sales, a weak economy, and a proliferation of so called "category killer" stores. Specifically, he noted the Paint Products chain, Home Depot, Hechingers, and other major retail paint outlets. Thus, his business is static or slightly declining. In addition, he is faced with increased product costs associated with being a single outlet. He is, therefore, unable to be competitive with the chains in his pricing. He attempts to offset this price disadvantage through increased service and high end products (Pratt & Lambert, Benjamin Moore, etc.).

National Paint has recently begun an extensive advertising program including frequent large scale advertisements in the Middletown Press. However, Seb predicts that the economy will remain flat and expects significant long term changes due to the excessive consumer debt burden. He is well aware of the long term impact of the changing household demographics in the consumer population.

Seb reports that he is reasonably satisfied with municipal services. However, he reports that he would not relocate his business to Middletown today. He would, in all probability, locate his business in a more highly visible and appropriate retail location such as a major shopping center.

Seb suggests that the City should focus on the cumulative decline of the downtown Central Business District including the street people. He urges the City to make the Central Business District more user friendly including parking issues and access issues. In addition he feels that the City should work to attract another major downtown retailer. He was adamant in noting that the downtown area

cannot survive, prosper and grow without a major retail anchor.

Seb Giacco appears to be a knowledgeable, experienced retail operator who is carefully following the economic and demographic trends of the 90's. He has survived and prospered in his business location. He did admit that his business will be sold sometime in the next few years. Additionally, he was not particularly positive about the retail climate in Middletown. He does not believe that Middletown supports quality retailing and, while he urges the need for another retail anchor, he questions its ability to survive.

This business will undoubtedly be sold in the next few years to another owner operator.

INTERVIEW NUMBER: 22
DATE: 6/11/92
CONTACT: John Krawood

NAME: John Krawood
TITLE: President
COMPANY: ABC Tool, Inc.
ADDRESS: 111 Industrial Park Road
Middletown, CT 06457
PHONE: 635-3676

ABC Tool is a machine shop specializing in "high end" cutting tools for aerospace and automotive manufacturing applications. They supply machine tool users throughout the United States. They manufacture cutting tools, end mills and milling tools of extremely high quality and specialized applications. Their cutting tools are recognized as being both expensive and durable. Therefore, they tend to market to high quality machine centers who are looking for an investment in high productivity, high quality tooling.

The firm was moved from New Britain to Middletown in 1988. The company had its line of credit canceled in 1990 and suffered dramatically from the lack of credit. While 1991 and 1992 have seen improved sales, the firm is still under financial pressure because of the lack of available credit. The property is owned by the Krawood family. Most of the property is leased to tenants. The company presently occupies 7,000 square feet of space. However, they have plans to increase by another 5,000 square feet within two years.

In a reaction to the credit crunch and the soft economy, the company has dramatically increased its sales efforts. The president of the firm concentrates almost exclusively on sales. They have added distributors throughout the United States, utilize direct mail, and advertise in specialty trade magazines. This increased effort at sales has apparently paid off as sales have increased in each of the last three years.

In addition, the firm has been extremely prudent with its overhead and staffing levels. Any new hires at the company only occurred when a very large backlog develops.

The company reports a very unsatisfactory relationship with Fleet Bank and has had its machinery, equipment, and working capital financing reduced.

In general, the company's location is considered ideal because of access to distribution channels and the highway system. The property, in the Industrial Park, is considered a good investment by the Krawood family. They appeared to be satisfied with municipal services and think very highly of the Police Department. In addition, the Tax Collector has been very cooperative and has assisted them with a payment plan to pay off back taxes. It is their expectation that they will "catch up" totally by the end of

calendar year 1992.

The company would like additional information on some of the government business assistance programs that are available. This is a specific area where the municipal development office staff could be helpful. Specifically, State loan programs through the CDA, export assistance, manpower and job training programs, economic development assistance rates through the utilities and federal contract procurement assistance, are all areas in which Mr. Krawood expressed interest. He is interested in expanding the business and requests help from the City to assist him with his growth.

In general, Mr. & Mrs. Krawood are very pleased with the City of Middletown and their location in the Industrial Park. They feel that the City is very helpful to businesses and have positive experiences which arise primarily from their recent experience working with the Tax Collector. This highlights the fact that it takes very little effort on the part of the municipal staff to create positive feelings in the business community.

INTERVIEW NUMBER: 23
DATE: 6/11/92
CONTACT: Rosemarie Vinci

NAME: Rosemarie Vinci
TITLE: Owner
COMPANY: Vinci Coal Company
ADDRESS: 1000 Newfield Street
Middletown, CT 06457
PHONE: 632-2333

Vinci Coal & Oil Company is a WBE firm which has been located in Middletown for approximately 50 years. The firm, owned by Rosemarie Vinci, specializes in liquid asphalt hauling and also bulk hauling of dry cement throughout New England. In addition, the Mortenson/Vinci Oil Company delivers home heating oil and light commercial oil to various accounts. Finally, several properties in Middletown, Portland and Hartford are owned by Newfield Realty, an affiliated entity.

Vinci oil trucks seen on the Interstates are primarily hauling liquid asphalt for Tilcon Tomasso blacktop plants. The Vincis have maintained a contract for liquid asphalt delivery for several years. In addition, their trucks carry dry cement in bulk throughout New England. Recently, the company lost the cement contract for the new Saybrook, Route 95 bridge. This contract had been very lucrative and the loss caused a severe sag in 1992 sales.

In general, the firm continues to prosper and grow through careful management. The owner is extremely nervous about the economy and claims to have "no confidence" in the long-term viability of New England.

The company laid off drivers for the first time in the winter of 1991 and 1992. Additionally, they are considering a consolidation of their facilities in Portland. At this time, the company owns terminals in Hartford and Portland as well as the property on Newfield Street. Apparently, most of the trucks and equipment are kept in Portland and there is some planning being undertaken to consolidate all of the company's facilities at the Portland terminal. If this were to occur, Vinci would no longer have a active presence in the City of Middletown. Note that much of the real estate on Newfield Street is rented and/or leased to other marginal business.

Rosemarie Vinci has been working diligently to reduce fixed and variable overhead costs. She has aggressively shopped items ranging from her liability insurance to the purchase of new trucks for the business.

In addition, the owner's family is now providing direct labor in addition to management. For example, Joe Vinci, frequently drives trucks on deliveries and Rosemarie is working in the office doing bookkeeping and other accounting work.

Note that Vinci Coal and Oil is unionized and that the Teamsters Union represents the drivers.

Rosemarie Vinci characterizes her relationship with Connecticut National Bank as being reasonably satisfactory. In 1991, a line of credit was withdrawn. In addition, lines of credit with Central Bank have recently been terminated.

The owner feels Middletown's municipal services to be adequate, but would not relocate her business to Middletown today. Specifically, she needs a terminal facility and access for bulk delivery product such as cement and liquid asphalt.

While Rosemary characterizes the State as being difficult to work with, she would like further information on CDA loan programs, federal loan programs through the Small Business Administration small business set-aside programs at the local, state or federal levels. She has no interest in other programs. She needs work and sales, not management training.

It is likely that Vinci Coal and Oil will consolidate and relocate to Portland in the near future. Based upon our conversation it is likely that this consolidation will occur before year end. It is doubtful that the City of Middletown could have a direct effect on this consolidation.

INTERVIEW NUMBER: 24
DATE: 6/12/92
CONTACT: Ed Loveland

NAME: Ed Loveland
TITLE: President
COMPANY: Middletown Manufacturing Company
ADDRESS: 29 Stack Street
Middletown, CT 06457
PHONE: 346-8659

This metal stamping manufacturing concern has been located in Middletown since 1933. The firm occupies 25,000 square feet of antiquated vertical manufacturing space employing 29 full time workers. The firm characterizes its recent sales and business as flat, but subject to an upturn.

The owner reports that he would add 15 additional staff and a full second shift if he could hire qualified help. The constriction on business for this particular manufacturer is the lack of qualified and diligent help available in the greater Middletown area.

The products manufactured by the firm include metal boxes used by OEM manufacturers in the tool business. For example, Stanley, Eastco and American Tools all utilize metal boxes made in Middletown for their ratchet and wrench sets. This business is primarily a subsidiary or offshoot of the hand tool business with markets throughout the United States.

The owner characterizes his business problems as "labor, labor, labor" and to a lesser degree, excessive taxation. The owner reports that he has had serious conversations with several Southern states about relocation of his plant. Note, however, that this property is owned by the plant owner and is unlikely to be readily sold in this marketplace due to its antiquated size and vertical layout.

The owner reports that he presently has an excess of orders but lack the capacity to produce the product. This may offer an opportunity for the City in terms of a relocation or expansion potential. However, the City would have to deal with the owner's grave concerns about labor issues.

In general, the owner declines to comment on City services or his relationship to the City other than to comment on his recent negative experiences with Public Works. The firm must dispose of a powder coating residue. He claims that Sal Fazzino has been of little or no help with the disposal matter despite repeated requests for assistance. Further, the owner claims that Public Works pricing for a trash dumpster was twice the cost of private hauler. Therefore, due to this limited and unhappy experience with the City, the owner is not considering expanding or relocating within Middletown.

The owner reports that he would like further assistance and information about state loan programs through the CDA and information on manpower and job training programs. He is very interested in assistance with labor issues and needs qualified help as quickly as possible. Thus, he also could use assistance in obtaining employees through the Connecticut Job Services or continuing employee training programs as offered in the questionnaire.

The owner suggests that taxes are a very significant concern to his business. Labor issues, while not a City issue specifically, are viewed as being affiliated with the City. Many of the staff have quit and "gone on the City". Finally, assistance with trash removal (especially hazardous or semi-hazardous waste) would be greatly appreciated and could lead to an improved relationship with this manufacturer

Finally, the owner's perception is that the City does not care about, nor relate to, manufacturing within the City. His perception is that the City can only talk about retail matters, especially retail matters related to the Main Street area.

This manufacturer provides approximately thirty semi and low-skilled jobs for Middletown employees. This firm could, based on available information, expand if financing and adequate labor could be made available. Therefore, it may be in the City's best interest to discuss these labor issues with the owner and to see if some expansion within the City makes economic sense for both parties.

INTERVIEW NUMBER: 25
DATE: 6/12/92
CONTACT: Ron D'Elia

NAME: Ron D'Elia, Jr.
TITLE: Manager
COMPANY: Newtown Manufacturing
ADDRESS: 180 Johnson Street
Middletown, CT 06457
PHONE: 344-1350

This manufacturer is headquartered in Pennsylvania with its Connecticut sales and distribution facility in Middletown. The Middletown distribution office supplies builders and contractors in the Connecticut and Massachusetts market with replacement (vinyl) windows. The product is manufactured in a plant in Pennsylvania and shipped to Connecticut for distribution on a pre-ordered basis.

While the New England residential and commercial construction industry is suffering due to the present economic downturn, the replacement window lines offered by this firm have maintained reasonable sales levels. One theory is that replacement windows are most utilized in upgrades and remodeling activities as opposed to new construction. Typically, in a recessionary economy, people upgrade and improve their homes rather than buying new. Therefore, the firm is reasonably assured that sales and profits will continue to remain steady during this economic downturn.

While sales are down slightly from previous years, manufacturing costs are under control and overhead in the Middletown sales and distribution office is extremely modest. The firm is emphasizing more cold calling on potential customers and contractors. It is interesting to note that this firm leases 1,400 square feet of obsolete industrial space adjacent to the Town Dump. Of the 1,400 square feet, only about 100 square feet is sales office. The balance of the space is storage and distribution areas with minimal heat or cooling.

While the present lease expires in December of 1992, there are no plans to relocate the company. Middletown is viewed as an ideal distribution center for central Connecticut and Massachusetts due to its location and highway access.

All banking is handled through the parent corporation. Note that no local bank accounts are maintained.

The company has had very little interaction with the municipality and offered no comment on municipal services.

In general, this firm is in the distribution business and should be considered as a possible candidate for relocation to the Industrial Park if the present property were no longer available to them. Their primary criteria for being in Middletown is locational, while their secondary criteria (at the moment) is inexpensive rented

space. Because they use less than 2,000 square feet they could be an ideal candidate for relocation to the Industrial Park in one of the smaller rental areas or perhaps one of the condo areas.

INTERVIEW NUMBER: 26
DATE: 6/12/92
CONTACT: Jackie Williams

NAME: Jacquelyn Williams
TITLE: President and Owner
COMPANY: Sterling Realtors
ADDRESS: South Main Street
Middletown, CT 06457
PHONE: 346-4241

Jackie Williams reports much the same market as Enza Cubeta had earlier reported. Essentially, 95% of the Sterling Realtor business comes from first time home buyers. Mortgage money is reportedly readily available for home buyers but there is an unwillingness to move in the marketplace due to uncertainty about the economics of the country.

Sterling has undertaken some serious changes in marketing, training and management. The firm is now using direct mail for the first time since they opened their business 15 years ago. In addition, the training and selection of agents has been dramatically improved and streamlined. Finally, all agents are required to make one hundred cold calls per week in an effort to solicit new business.

Despite the weak economy, Sterling Realtors purchased their headquarters on South Main Street one year ago. Prior to that they were located on Grand Street.

Jackie Williams, a long-time Middletown resident, indicates that she is generally satisfied with municipal services except in the areas of recreation, school system and the arts. Her views of the school system and the arts are reflective of her customers' comments. She indicated to us that the single largest reason for not buying a home in Middletown was the inadequate or troubled school system. This is especially true of the high school. While she has difficulties with the school system, she would re-open her business today in Middletown.

In 1989 the owners of the firm attended business services workshops held by the Department of Economic Development. They found these workshops in cash flow management and accounting to be too technical. Jackie felt that the instructors did not understand her business. Her reaction to that initial involvement with the Department of Economic Development, resulted in very negative perceptions of the State programs and state employees.

Jackie, based upon her life-long Middletown residency and her business experience in the City, had some comments to make in relation to City improvements. First, she suggests that the educational system be upgraded. Secondly, she is an image advocate for the City and believes that the City could do more to position itself as a small scale city rather than an urban area. Finally, she feels strongly that our central Connecticut location should be

promoted and that the level of creative services available to the community should be increased. Note, we have found the central location to be one of the prime criteria for almost every business interviewed.

INTERVIEW NUMBER: 27
DATE: 6/12/92
CONTACT: "Biff" Shaw

NAME: Ralph H. Shaw, II
TITLE: President and CEO
COMPANY: Farmers & Mechanics Bank
ADDRESS: 225 Main Street
Middletown, CT 06457
PHONE: 346-9677

Farmers & Mechanics Bank, hard hit by the credit crunch and the recession, has focused its attention on recovery. The president of the bank indicates that the resolution of bad loan problems are its highest priority. He noted that workouts in real estate are costly and require attention to detail. Finally, the federal regulations have been increased and the bank regulatory process strengthened.

The bank has positioned itself as "cautiously optimistic" on the economy. Farmers & Mechanics has withdrawn from lending on commercial and industrial properties. Their concentration at this time is on retail or branch banking and a significant reduction in lending activities. Recovery of the bank is the top priority.

The branch at Industrial Park Road was recently closed due to a lack of business.

Biff Shaw, a lifelong Middletown resident, feels that the overall quality of City services is mediocre. As examples, he noted, the park fountain that does not work; the sewer separation project and its interminable delays; trees cut down in town during the past year; and roadway rebuilding projects which have been undertaken without concern for the customers. His comment was that all of these projects had been handled without class and without an apology for the inconvenience to the businesses involved.

It was clear during the interview process that the bank is suffering from its loan portfolio disintegration and from weakened earnings. However, the second message that came through very clearly was a general unhappiness with Middletown as a site for its headquarters operation. The comments made about Middletown were all indicative of a perception of a declining level in the quality of life. In addition, many of the comments about the City were focused on a lack of communication. The bank president was most angry that businesses were not contacted during some of the projects noted above nor were apologies made for the interruptions.

It is clear that an attempt to revive this relationship should be undertaken between City officials and the bank.

Finally, a note that the Mayor's Office called the bank when they wanted help with the Middlesex Mutual Assurance project, but apparently never called to say thank you for the assistance given the City. This sort of failure with follow through has created a

great deal of hostility among the bank officers.

INTERVIEW NUMBER: 28
DATE: 6/16/92
CONTACT: Tim Carey

NAME: Tim Carey
TITLE: General Manager
COMPANY: Coca-Cola Bottling Company of Middletown
ADDRESS: 310-320 South Main Street
Middletown, CT 06457
PHONE: 346-7846

Coca-Cola of Middletown was established in 1912 which makes it one of the oldest franchises in the United States. Note, however, that the franchise area includes only part of Middlesex County. In addition to Coke in Middletown, you also have Coke of New London and Coke of Hartford County who are franchised to sell to portions of Middlesex County. Thus, this is not only one of the oldest franchises, but also one of the smallest in the Coke distribution system.

Coke sales have held up reasonably well with 1991 and 1992 sales characterized as flat but not declining.

This Coke franchise is owned by Coca-Cola of Northern New England which is headquartered in Londonderry, New Hampshire. The Londonderry, New Hampshire operation is owned by Japanese interests. Thus, this local Coke distributorship is indirectly owned by the Japanese.

Tim indicated that he had been seeking additional expansion space during the mid to late 1980's. However, at this time any planned expansion has been on hold. The property on South Main Street is owned by Coca-Cola. The 28,000 square feet of distribution area is adequate for the foreseeable future.

There is no reported difficulty in the banking relationships at this time. Liberty Bank is their prime bank relationship.

The Coke distributorship has little or no interaction with the City of Middletown and expressed no interest in changing the relationship. The only significant interaction appears to be the Police Department ticketing of Coca-Cola delivery trucks in the downtown area. This "excessive ticketing", while troublesome, is not enough to suggest that Coke should relocate its operations.

The Coke distributorship has no interaction with the State of Connecticut and the General Manager has no desire to follow up on state or municipal programs in the area of business assistance or business growth.

In general, this operation could be characterized as a quiet but profitable City business. It is worth noting that the firm donates significant amounts of soft drink products to the City every year. Perhaps some consideration could be given to a public thank you to

the manager for the donations to the Police Department and the Parks & Recreation Departments, etc. This public display of appreciation would enhance the relationship with the Coca-Cola franchise, especially at the local level.

INTERVIEW NUMBER: 29
DATE: 6/16/92
CONTACT: Mary Didato

NAME: Mary Didato
TITLE: Owner
COMPANY: Didato's Oil Service
Mitchell Paint
Page & Warner Auto Parts
BP Service Station
ADDRESS: Williams & Broad Street
Middletown, CT 06457
PHONE: 347-1764

This Middletown business conglomerate has grown from a gas station started in 1948. The Didato family has gradually acquired the Mitchell Paint operation, opened a subsequent oil company, started the BP Gas Station and begun an auto parts wholesale and retail business. All of the businesses are headquartered on adjoining parcels at the corner of Williams and Broad Streets. The firm is operated by both Mr. & Mrs. Didato, although Mrs. Didato is by far the most vocal in her criticism and in her comments.

The firm prides itself on a service component and emphasizes long-term employment of highly qualified employees. The average employee has been with the firm for slightly more than 15 years. Of the 24 employees, almost all of them have been with the company for more than 10 years.

The Didato's response to the current business environment is to increase the emphasis on service, to work harder by asking more of themselves and their employees, and to provide capital for the business from their own resources.

Several years ago the Didatos established a unique profit sharing plan for employees which rewards the employee for every year of service. Essentially, the employee is given an annual bonus which can only be paid out after a certain defined length of service with the firm. Thus, the employees have a tendency to stay with the firm for a minimum of five years in order to obtain the payout. Once an employee reaches the five-year milestone, it becomes ever more unlikely that they will leave for other employment.

The business reports that its primary banking relationships with Connecticut National Bank and Farmers & Mechanics are satisfactory. Generally, all of the company growth is financed from cash flow and without outside resources.

The firm would not relocate to Middletown again because of what they consider to be excessive taxes.

Apparently, the special taxing district includes the Didato's property. The special taxing district to support the municipal parking lot is viewed as unfair and unacceptable to this business.

This support for municipal parking without any of the benefits associated with the parking lot, strikes the owners as unfair and arbitrary. Therefore, they are extremely resentful.

Main Street's revitalization is considered to be the key to the Middletown image. The Didatos would urgently like an improvement in the Middletown image and believe that improving the Main Street Central Business District would be of direct and immediate benefit to their business.

INTERVIEW NUMBER: 30
DATE: 6/16/92
CONTACT: Rubina Liebman

NAME: Rubina Liebman
TITLE: President
COMPANY: LCI Ford, Inc.
ADDRESS: 55 North Main Street
Middletown, CT 06457
PHONE: 346-9645

Mr. & Mrs. Liebman (Rubina and Harold) were very courteous during the interview. While their business concerns are reflected in the nature of the petty problems which they wish to have addressed, they are also reflective of a mature retailer in a changing society.

The Liebmans bought the business from Rubina's father in 1949. This Ford franchise was started in 1922 in Middletown. Their business is primarily fleet sales to corporate clients such as Cox Cable, SNETCO, various municipalities, and state agencies. They do maintain a modest retail showroom and sales effort. However, this retail/fleet relationship is heavily skewed towards the fleet business. Their son - who is responsible for converting the dealership's orientation to fleet sales - was not available during the interview process.

In general, the Liebmans feel that their location - which had been a prosperous retail environment - has been degraded during the past ten years and that this degradation is primarily attributable to the physical decline in the neighborhood. Specifically, they attribute their decreasing retail trade to the poorly maintained sidewalks in the neighborhood; the debris and weeds growing under the bridge adjacent to their property; and the "abandoned" Meech and Stoddard building directly across from their showroom.

While these specific items may seem inconsequential when viewed on a City wide basis, the Liebmans feel that these items are of extreme consequence and important to their day to day business. They claim that their retail trade is down because of the deterioration of the neighborhood. They are extremely critical of recent City approvals given to permit a partial re-use of the Meech and Stoddard building for an automobile body repair shop.

In addition, they believe that the Neighborhood Package Store is a magnet attracting the "wrong kind of people" to the neighborhood. They point out that there are frequently many people hanging around the package store drinking from bottles and cans and causing unruly behavior.

The Liebmans claim to be seeking a site for business relocation. However, I find this difficult to believe for the following reasons: first, they own the dealership property free and clear and are unlikely to sell it in the current marketplace; secondly, while they de-cry the lack of retail trade, they freely admit that their

business plan calls for ever increasing wholesale fleet business and a decrease in their retail business. I note that their advertisement in the Middletown Yellow Pages is merely the bold, free listing, rather than a display ad in the Yellow Pages. Therefore, I have to conclude that they are not actively seeking a location outside of Middletown at this time.

However, the City could improve relations with this business at a very modest cost. Simply cleaning up the area under the Arrigoni Bridge at North Main Street would be of value to the Liebman's and would improve relations with the City. In addition, the recent street rebuilding and sidewalk rebuilding program was conducted without regard to adjacent property owners according to the Liebman's. Therefore, a courtesy call by the Public Works staff would, I believe, be of immediate and direct benefit.

Finally, it should be noted that the LCI Ford operation is a viable and healthy business. It is also located in an area targeted by the City for industrial development. The combination of a healthy economic business at this location is significant. This business could act as a key player in an attempt to revitalize the industrial area in the north end. Given the decline of economically viable businesses in that area, LCI Ford may be the only business that can sustain itself without City, State, or Federal economic intervention.

INTERVIEW NUMBER: 31
DATE: 6/16/92
CONTACT: Roxane Harabedian

NAME: Deborah S. Davis
TITLE: Vice President & Area Manager
COMPANY: Connecticut National Bank
ADDRESS: Middlesex Area
203 Route 154
Chester, CT. 06412
PHONE: 526-6523

The local branch manager, Roxane Harabedian, declined to meet with me without her superior, Deborah Davis, also being included. I arranged to meet Ms. Davis and Ms. Harabedian at Connecticut National Bank's Chester office which is the area office for the Central Connecticut Region of Connecticut National Bank.

Based upon my interview, the bank views the Middletown market as primarily a market for the savings side of the business. They view themselves as operating primarily as a savings bank. Their customer base tends to be the elderly and a great many welfare people. They do not see themselves as being a lender nor do they see themselves as having a lending capacity.

Due to the "credit crunch" and streamlining of operations, Connecticut National Bank recently closed their branch location on Washington Street. The interviewees also reported that they anticipated further staff layoffs of $\pm 25\%$. These layoffs will come primarily in the area of customer service representatives and on-line tellers.

Note that during the past two-year period, many of the lending officers and senior administrative personnel who had previously been headquartered in Middletown, have been either reassigned or terminated. Based upon the interview process, we have determined that there is no present local lending capacity, nor is there a staff trained in lending available in the Middletown branch. Deborah Davis reports that any lending function would first pass through her office in Chester and then would be referred to Hartford for potential follow-up. However, both Roxane and Deborah were quick to point out that there is virtually no business credit available at this time.

While both officers were upbeat, cordial, and expressed optimism about the economy and the City, I question the spontaneity of their response. It seems that their responses to the interview may have been more a function of the bank's public profile than an accurate reflection of their experiences in the community through 1992.

Both bankers noted that the Chamber is synonymous with the City and suggested that there were many venues available for communications in the community. This attribute is viewed as very important to them. However, when I questioned their contributions and activities

in the day-to-day life of the community, they struggled to identify any active participation on the part of the bank. It seems clear from the interview process, that Connecticut National Bank is a peripheral player in the Middletown credit market and, in fact, corporately has adopted a position of modest non-involvement in local public and civic affairs.

Connecticut National Bank represents a potential resource available to the community which is not presently being utilized. Perhaps through City intervention, this bank could become a more active player and more active participant in civic and business life and provide needed financing in the marketplace.

INTERVIEW NUMBER: 32
DATE: 6/17/92
CONTACT: Ron Marut

NAME: Ronald J. Marut
TITLE: President
COMPANY: Shaw Belting Company
ADDRESS: 80 Industrial Park Road
Middletown, CT 06457
PHONE: 632-2003

Shaw Belting Company was established in Middletown in 1942 by "Biff" Shaw's father. The present business was sold by Adler Dobkin to Ron Marut in 1986. The firm manufactures, imports, assembles, or wholesales, lifting slings and industrial belting. During the 1980's, lifting slings were in demand and the business blossomed. However, due to the downturn in the economy the lifting sling business and industrial tie down business has declined significantly. Lifting slings are used by companies such as Pratt & Whitney or in the construction industry. Of course, industrial tie downs are used on rail freight cars and large over-the-road flatbed trailer trucks to hold cargo in place. As the economy has softened and as manufacturing and construction declined, the need for this product line declined accordingly. At this time, industrial belting sales have remained steady while the market for slings has "dried up".

This firm continues to produce and to sell product, albeit on a marginal basis. Basically, the firm operates on a cash basis, without credit, and is fabricating product on order rather than for inventory purposes.

Given a reasonable turn of the economy, Ron Marut has plans to increase his market share and expand his sales territory beyond the industrial northeast. His five year business plan calls for expansion from approximately 3,000 square feet of space to 4,000 square feet or more. His preference would be to stay in the Industrial Park at or near his present location.

Ron has concentrated on sales and increasing his sales team. He is presently looking for additional sales staff to compliment those recently employed. In addition, he has taken on more sales duties and is now frequently calling on customers throughout his sales region.

Pratt & Whitney continues to be one of his largest customers for lifting slings and industrial webbing. Ron is optimistic that Pratt & Whitney's consolidation to the Middletown location, will have a direct impact on sales to his firm. In the past, he has been able to chart Shaw Belting sales increases as Pratt & Whitney's orders and production have increased.

INTERVIEW NUMBER: 33
DATE: 6/17/92
CONTACT: Eric Kabel

NAME: Eric R. Kabel
TITLE: Executive Vice President
COMPANY: Kabel's Luggage Shops, Inc.
ADDRESS: 331 East Main Street
PO Box 488
Middletown, CT 06457
PHONE: 344-9191

Eric Kabel, the second generation of the Kabel family to manage this luggage and executive gift firm, was cautiously optimistic in his view for 1992. Despite having a very bad sales year in 1991, and despite having the company's line of credit canceled in 1992, he expects sales to increase during the balance of the year. His projections and optimism stem from an increase in travel and a corresponding increase in the purchase of luggage by the consumer.

In addition, Kabel's has reorganized itself in several ways. Specifically, they have targeted lower price point goods for their marketing. They have adopted a new pricing policy; they are conducting more sales and running more advertising; and they are target marketing via some direct mail and coupons.

Eric is re-examining the firm's relationship to the Middletown marketplace. Despite having been a Middletown company since 1947, the firm is now reconsidering the need for a Middletown location. Specifically, they are carefully monitoring sales at Kabel's Luggage and Kabel's Card stores on Main Street. In addition, they are reorganizing their inventory control and data processing to permit far less warehousing than the present 10,000 square feet that they maintain on East Main Street. It is entirely conceivable, according to the CEO, that Kabel's would eliminate the retail operation in Middletown and relocate the warehouse and executive offices out of town.

Presently, the West Hartford store is doing reasonably well; Buckland Mall very well; the Hartford and Wethersfield stores are performing at sales goals. However, Middletown store sales are not strong and are being examined for either revamping, consolidation or elimination.

Eric feels strongly that without a major intervention in the retail marketplace, Middletown's Main Street (Central Business District) cannot survive. A large anchor retail draw must be established. He does acknowledge, however, that this retail draw could be either a major retail operator or a revitalized and modified festival marketplace. In general, while he supports Middletown and has strong family ties to the City, he does not view Middletown as a viable long-term retail environment.

During our interview, the matter of police protection or police

presence arose. Eric (as did many other retailers) pointed out that there was a need for increased police presence and visibility in the downtown area. His second major concern, parking, was also identified by many of the retailers with whom we spoke. Note, however, that this emphasis on parking was specific to the downtown retail merchants. For example, Caldors and Bradlees had no comment on the need for parking in the downtown areas.

INTERVIEW NUMBER: 35
DATE: 6/17/92
CONTACT: John Shields

NAME: John B. Shields
TITLE: General Manager
COMPANY: Grosman's Lumber
ADDRESS: 909 Washington Street
Middletown, CT 06457-2901
PHONE: 344-0809

The Middletown Grosman's has recently been remodeled, given a new general manager, and refocused store marketing away from retail in favor of contractor business. Thus, there have been significant changes in the Grosman operation during the past two year period.

John Shields, a Grosman's professional (15 years), was recently assigned to the store. During his one and one half year tenure, Grosman's has remodeled the store and restocked it with merchandise more appropriate for the contractor trade. Grossman's, emerging from a Chapter 11 bankruptcy, has refocused its entire operation on contractor trade and away from the retail market place. They have opted not to compete with Home Depot and other "category killer" home and lumber yards. Because of this refocused marketing effort Grossman's has a somewhat diminished presence in the local community.

Grossman's Middletown perceives its marketplace to be within a twenty mile radius of the store. They see their competition as firms such as Moodus Lumber, Middletown Lumber, or Lyon & Billard. They have routinely placed advertising in media such as the Middletown Press and the Hartford Courant.

They have, however, instituted aggressive marketing aimed at contractors, especially those in the remodeling and home building fields. In addition, they have undertaken a thorough training program for all staff emphasizing the TQM principles and customer service. John characterizes Grossman's new marketing efforts by noting that during the middle 80's the customer was "cattle" while during the 90's the customer is king.

Other local Grossman's outlets are located in Wallingford and Manchester, Connecticut.

John had little or no comment about the quality or quantity of City services. He did not feel a need for any additional City services nor did he feel that the City was contributory to his business. It should be noted that the Store Manager does not pay operating invoices or payroll. Nor is he typically involved in any of the financial matters involving a Grossman's operation. All of these matters are handled by the Massachusetts headquarters staff. This relationship - a local manager without financial authority - was commonly found in all of the larger retail operations such as Bradlees, Caldors, or Grossman's. John was very interested in

becoming more involved in the community although he freely admitted that his time was extremely limited. However, he did indicate a desire to see a directory of local business services that might be available to him should he need certain kinds of assistance.

INTERVIEW NUMBER: 34
DATE: 6/16/92
CONTACT: "Sandy" Larson

NAME: Edward J. Larson, Jr.
TITLE: Owner
COMPANY: Old Mill Wayside Furniture Company
ADDRESS: 657 Washington Street
Middletown, CT 06457-2901
PHONE: 346-0852

Both "Red" and "Sandy" Larson were available during the interview process. This second and third generation of the Larson family have run the Old Mill Wayside Furniture operation since 1946. The business concentrates primarily on middle class retail sales and draws from a 20 to 25 mile radius. They see their primary competition as the Marlborough Barn or The Deep River Furniture Company. They also believe that their present location and high visibility contribute significantly to store sales.

Note that the company recently obtained permission and permitting for the addition of an on-site mini mall. The mall, which will not now be built due to the economy, could accommodate an expansion of the firm of up to about 11,000 square feet. However, any expansion of the business or construction of the mall is a function of a more robust and healthy retail economy.

Recent experience with the approval process, especially the Wetlands Commission, caused a great deal of discomfort and antagonism. Both Larsons stated that the Wetlands Commission is anti-business and was very difficult to work with. This perception of a difficult, costly, and time consuming negative permitting process was prevalent among many of the small business owners interviewed.

The Larsons have a problem that was created during the recent widening and reconstruction of Washington Street. Apparently, although the road is "within engineering standards", the drainage changes made during the road construction have caused water to flood their sales and show rooms. Consistently, since the road reconstruction, they have had water in their building. This water has caused extensive damage not only to the building, but also to their furniture inventory which is prominently displayed in their showroom windows fronting on Route 66.

City intervention - or at least an investigation into this problem with the State DOT - may prove beneficial. This retailer is a prominent show place on a major access into Middletown. Potential negative publicity which may arise over this constant flooding could prove harmful. A limited investigation might disclose the possibility of an inexpensive remedy to the problem. We recommend that the Larson matter be investigated to the extent that they receive some satisfaction with their concerns.

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INTERVIEW NUMBER: 36
DATE: 6/17/92
CONTACT: Sandy Berlin

NAME: Sanford Berlin
TITLE: Chief Executive Officer
COMPANY: Madrigal Audio Laboratories, Inc.
ADDRESS: 2081 South Main Street
PO Box 781
Middletown, CT 06457
PHONE: 346-0896

Sandy Berlin, owner and CEO, appeared to be candid, forthright and willing to divulge more specific information than most other business owners had shared during the interview process. He discussed not only his sales levels, but also production costs, financing problems, and general business plan for the upcoming two to five year period.

Generally, the company is undergoing both a downsizing and a automation of facilities. The long term effort will be to increase automation in the production process and decrease the number of people employed at the site. Recently, fifteen people were laid off as a result of this automation. There is no plan to rehire these people with the company. Sandy says that automation is the "wave of the future" in the manufacturing process and also that automation is the key to long term financial success for high-tech firms such as Madrigal.

Financing, specifically for real estate and working capital is Madrigal's problem at this time. They are embroiled in an effort to refinance their property. The Import/Export Bank and Center Bank have both been approached about financing. The European American Bank in New York City, their present lender, has pulled their line of credit and has demanded immediate repayment of + \$2,800,000 outstanding. The bank has attempted to sell Madrigal and also has attempted to work through Manufacturers Hanover Trust on a forced liquidation. Sandy Berlin points out that the banks do not relate to public policy issues. While the economy is in decline and the government is trying to increase both production in the manufacturing sector and exports, his bank is seeking an enforced foreclosure or liquidation of the business.

Sandy has recently employed a mortgage broker to seek assistance with refinancing his business and real estate. Presently, there is a CDA mortgage on the two buildings and he reports a positive relationship with the CDA.

Sandy considers the Madrigal staff to be experts in the export business. He notes that of their \$14,000,000 annual sales, only \$4,800,000 comes from the United States. Thus, almost two thirds of their annual sales are from foreign markets. Of this, a predominance of the sales come from Japan or from Europe, Thus, Sandy wants to continue to emphasize European and Japanese markets

and emphasize exports from the United States. However, the lack of capital, credit, and financing for his business impose severe problems. His goal, during the next three-year business cycle, is to double sales without adding additional staff. This doubling of the business would be on site in the Middletown location. He also notes that he can add up to an additional 20,000 square feet on site which has previously been approved by the City.

This firm would seem to be an ideal candidate for asset based lending. They have, apparently, adequate relationships with CDA for real estate financing involving their present site improved with two industrial buildings. However, they are having problems with capital and credit. Perhaps the City could assist with the effort to locate sources of asset based lending for the firm.

INTERVIEW NUMBER: 37
DATE: 6/17/92
CONTACT: Phil Karpel

NAME: Philip F. Karpel
TITLE: Attorney at Law
COMPANY: Dzialo, Pickett & Allen, PC
ADDRESS: 55 High Street
Middletown, CT 06457
PHONE: 346-8676

Phil Karpel, managing partner of Dzialo, Pickett & Allen, was most cordial during the interview process. He indicated that the firm had recently employed two new associates. However, the general tone of the business discussion was cost cutting and management of expenses.

A primary management issue within the firm is the rising cost of malpractice insurance. This insurance coverage has become extremely costly and mandates that some of the pricing be passed on to their clients. Phil indicated that they are marketing to their existing clients as well as developing new clients.

Accounts payable is also a management issue. Their accounts payable is large, although not out of control. Accounts payable management is being handled directly by the partners. Retainers are now required of all clients, both old and new. The firm is selective as to clients and will not represent a client without the assurance of payment.

The firm has been very judicious with recent salary increases for all staff, including partners. They have added a new co-pay on their health insurance; they have adopted an aggressive receivables collection program; and, they may write off their accounts payable after a shorter default period.

In general, they view the economy as growing and feel that we have turned the corner or "bottomed out". They expect a slow and steady upswing from January of 1992.

The firm would consider relocation within Middletown. We discussed a possible relocation to the Middlesex Mutual Assurance Building and what accommodations the landlord should provide in order to make the move financially feasible. Phil is reasonably prepared to move into a more prestigious and central location given the right economic incentives. This relocation matter should be part of any marketing effort undertaken by Middletown or undertaken by Middletown in conjunction with Middlesex Mutual Assurance.

INTERVIEW NUMBER: 38
DATE: 6/18/92
CONTACT: Dave Wilson

NAME: David Wilson
TITLE: President
COMPANY: Bob's Stores
ADDRESS: 160 Corporate Court
Meriden, CT 06450
PHONE: 235-5775

My interview with Dave Wilson, President of Bob's Stores, was marginally productive. In addition to Dave I also met with Mark Pelletier, Director of Maintenance and Operations for their real estate. David suggested that Mark join us because Mark would have more specific comments on downtown Middletown issues.

The firm has no plans for the Middletown store. They do not plan an expansion or contraction at this time. The store is consistently experiencing flat sales. In addition, it is their lowest volume store within the chain. The reason the store remains open is primarily one of history and an adherence to the original retail ideology rather than the high sales per square foot generated at this location.

Bob's Stores have targeted the casual clothing and footwear market, see themselves as a low cost provider, operating as a niche player, with a focus on branded and quality merchandise. Bob's Stores, owned by the Melville Corporation, are operated in a global economy. They feel this global economy will be flat from this time forward, that downsizing will be the new way of doing business, and that only the low cost provider of high quality goods will survive in any given business. Therefore, they are not sympathetic to long term relationships built on history and tradition. Thus, while the present store location is modestly viable, there is no pragmatic reason for maintaining the operation on Main Street.

David had very negative feelings and perceptions about Middletown as a retail location. He noted the "bums and poor people" on the street were negative and antithetical to his business. He pointed out that this particular store generated no night business whatsoever. His customers feel that going into Middletown in the evening is dangerous and that the neighborhood is "seedy." He noted that 40% of Bob's business is night business in all of their other locations. However, they have virtually no night business in Middletown.

Both Dave and Mark reported that the Building Department and Fire Marshall have been inconsistent in their orders and interpretations of building codes. They have had a reported problem with the Building Department and the Fire Marshall over various code issues.

In general, David felt that the City "talked the game but didn't really service." He reported that the access issues and cost of

doing business in the Middletown store would, in all probability, result in a decision to close the facility some time in the near future. He would not comment on the speculation and rumors that Bob's will relocate to the former Stop & Shop building on South Main Street.

He was frank to admit that this market area - from the shoreline through the Connecticut River Valley - was a good market area. He pointed out that the traffic patterns (Route 9, etc.) were very important to his business. He noted that the advertising programs for the stores have remained constant and have not diminished despite the relocation of Bob's to other communities and the sale of Bob's stores to the Melville Corporation.

In general, Dave summed up his feelings by noting that the City is marginally cooperative with their firm. He pointed out that customer parking is an issue, and has been for many years.

In summary, Dave said that: 1. Safety is the biggest issue; 2. Cleanliness is an issue; and 3. Convenience is the final issue in any determination regarding Bob's stores. In general, David wants an effort to be made which would concentrate on the perceptions of safety, a cleaner downtown environment, and he wants free parking in the downtown area.

In general, I do not feel that there is any direct linkage between City retention efforts and business decisions which will be made by the Bob's Store chain. The City can, however, maintain dialogue with Dave Wilson in an attempt to keep the channels of communication open. This should allow the City to have reasonably good knowledge of business decisions made by the firm should relocation be approved and/or discussed internally.

INTERVIEW NUMBER: 39
DATE: 6/18/92
CONTACT: Bob Curtin

NAME: Robert J. Curtin
TITLE: Vice President
COMPANY: Insurance & Real Estate Center, Inc.
A Division of Damman Insurance
ADDRESS: 124 Court Street
Middletown, CT 06457
PHONE: 347-8521

The Insurance & Real Estate Center formerly owned by Bob Curtin was acquired by Damman Insurance in January of 1992. Damman, a Westport, Connecticut insurance firm, is approximately four times as large as the local operation.

Although the company is entitled Insurance & Real Estate Center, Bob points out that of the eighteen staff people, only three are engaged in the real estate business. He is quick to note that there is no real estate business these days and also points out that insurance sales suffer due to the downturn of the real estate market.

Premium growth in the insurance side of the business has been slow. The economy has had a negative impact on premiums due to the decline in sales and payroll. Both sales and payroll are traditionally used as a means of quoting and computing business premiums. Similarly, in the personal lines area the decline of new home sales and a decrease in property values has had a negative effect on insurance premiums. Therefore, in general, Bob says that premiums are down and that his staff are working harder to develop more business from additional or new customers.

Bob, who lives in Portland, and has had a business in Middletown since 1970 feels that nepotism is an issue to be addressed. He believes the various boards and commissions are performing adequately and that the City staff are reasonably competent. However, he was emphatic that tax breaks given to Aetna and Middlesex Mutual were not appropriate. He felt, as did Bill Ferguson and Mark Goldreich that those tax breaks were unneeded and unnecessary. Bob is very concerned about the upcoming disruption to be caused by the courthouse construction. Note that his business is adjacent to the courthouse site and that his vehicular access will be hampered to a certain extent by the construction. He suggests that the City provide free downtown parking until the construction is finished.

Bob pointed out that his business quotations were being priced at 1985 prices although, like others, he was being required to give 1992 customer service.

In general, this firm is no longer an active player in the local residential real estate market. They are, however, consistently active in the insurance sector. Their niche seems to be a mixture

of business and personal lines and they are seemingly well organized. Bob was very pleased to point out his new electronic data system and software which have recently been installed. This very sophisticated system will do much of the clerical work which has previously required three to five clerks. In addition, this new electronic data system will allow staff to give very rapid quotes on insurance proposals.

INTERVIEW NUMBER: 40
DATE: 6/18/92
CONTACT: Rick Bellows

NAME: Kendrick F. Bellows, Jr.
TITLE: President and Chief Executive Officer
COMPANY: Liberty Bank for Savings
ADDRESS: 315 Main Street
Middletown, CT 06457
PHONE: 344-7200

Rick Bellows, a former Connecticut Bank and Trust banking executive, moved to Middletown from Burlington, Vermont. His move to Middletown was both a change in banking markets and a significant career advancement. During the past three years he has overseen the bank during this very difficult time in the economy and the corresponding credit crunch.

His view, at this time, is that the economy is flat to declining. He believes that we are at or near the bottom of this economic cycle but that there is no impetus for growth. Therefore, his bank is maintaining a posture of very conservative lending and a continued reduction in overhead and costs.

According to Rick, there has been a 20% reduction in staff at the bank during the past three-year period. In addition, he is anticipating another 18 to 20 layoffs in the early fall.

The bank is attempting to differentiate itself in the market based on service rather than on price. The bank is deliberately not attempting to compete on price and will not "purchase deposits" nor "buy accounts." The bank is, according to Rick, not interested in lending and not looking for loan relationships.

The bank has, however, recently added a staff of five to handle commercial lending in a very selective market. Rick emphasized that the bank will only make one loan out of every ten that they review.

In general, he views the Police and Fire Departments as providing adequate, and at times excellent service. He does recommend, however, that there be an increase in communication between the City and local businesses at the executive levels. Specifically, he would like to see more communication between himself and the mayor.

Rick suggested that there be an emphasis on housing development in the downtown area which might support retail. He is frank to admit that Middletown's retail cannot - will not - survive without an additional stimulus. Specifically, he believes that this downtown housing could be very supportive of the efforts of the City to revive the downtown area. He also would not hesitate to close Main Street and create a downtown mall similar to what has been done in Burlington, Vermont. In Burlington, the City closed the downtown area and rehabilitated many, if not most, of the buildings on Main Street. This extensive rehabilitation and revitalization has proven

to be a boom to the town of Burlington's retail trade.

Rick points out that the recent implementation of the ADA (Americans with Disabilities Act) will require extensive interaction with the building department in the City of Middletown by almost every business in Middletown. This is going to be an issue which should be addressed by the City Building Department in an attempt to make implementation as user friendly as possible.

In general, Rick indicated that the bank would act independently to the extent necessary to protect its interests. For example, when the sewer separation project interfered with the bank's customer relations, the bank employed private security guards to direct traffic and encourage and allow customer access to the bank.

This bank has a strong tie-in with the Chamber of Commerce and has been very active in the local Chamber.

INTERVIEW NUMBER: 41
DATE: 6/19/92
CONTACT: Ted and Judith Bertz

NAME: Ted Bertz
TITLE: Owner
COMPANY: Bertz Graphic Design, Inc.
ADDRESS: 190 Washington Street
Middletown, CT 06457
PHONE: 347-4332

Ted and Judith Bertz renovated their property and received an award in March of 1992 from the City of Middletown. While they appreciate the award and are thankful for the recognition, they also report a litany of difficulties with the City in obtaining all the permits and approvals necessary. Specifically, the level of effort and difficulty involved in permitting for a small adjacent parking lot were almost insurmountable for this small firm. The City officials and staff were characterized as intimidating, rather than helpful.

Ted Bertz was very helpful and cooperative in discussing ideas for the improvement in the quality of life in Middletown. He noted that the Connecticut River, the City's greatest asset, is woefully under utilized. He suggested a number of ideas including: 1. Cascading of colored lights on the bridge piers. 2. A locational sign to indicate to Route 9 travelers that they had "arrived" in Middletown. 3. A high quality arts and crafts fair at Harbor Park. 4. Increase tree planting in the downtown area to create an ambience of civility and emphasize the "tree city" history. 4. Continue or increase the emphasis on historic renovation (or semi-historic) to increase the downtown character. Finally, he noted parking issues seem to dominate most discussions of downtown revitalization.

The firm has reduced staff and cut back on general overhead items during the past two years. They have reduced their spending on overhead, introduced better cash management practices, and cut back on budgeted items in the operation. They note, however, that customers continue to expect the same quality production in their design work.

Ted points out that there is a revolution in process and design work going on in this industry. The computer and high tech machinery available have created a significant layoff factor in the industry. He points out that Mintz and Hoke of Avon have reduced staff from over 200 to less than 100 people at this time. In addition, Bill Wandriska design studio in Farmington, is virtually out of business. Thus, the impetus is on Ted to continue with his mechanization and increase the in-house computer design services. This computerization requires a huge capital outlay and can be difficult given the downturn in the present economy. Thus, he is faced with the need for capital expenditures necessary to maintain his market at a competitive price while at the same time being faced with a declining sales volumes due to the decline of the economy as a whole.

Ted would be very helpful in the downtown revitalization effort. He has intellect, capacity, and ideas which should be shared among others interested in revitalizing the downtown. Specifically, we should think in terms of asking Ted to be on the Mayor's Economic Development Task force and to be part of the Central Business District downtown revitalization effort. Many of his ideas are low-cost, high-yield items, and he has the capacity to assist with low cost production in many areas.

INTERVIEW NUMBER: 42
DATE: 6/19/92
CONTACT: Bill Ferguson

NAME: William W. Ferguson, Jr.
TITLE: Owner-President
COMPANY: Mohawk Manufacturing Company
ADDRESS: 1270 Newfield Street
Middletown, CT 06457
PHONE: 632-2345

Mohawk Manufacturing, manufacturers of custom threaded stampings, contacts, and assemblies, produces materials primarily for the automotive marketplace. Their major customers, OEM and major sub-assemblers, have down-scaled orders dramatically during the past three-year period. Therefore, Mohawk sales have been flat or slightly declining during this period. The firm is actively and aggressively seeking other markets for their product line. They sell nationally, although some of their materials are exported by third parties.

The present owners, who bought the business in 1982, finance all operations internally and expressed significant unhappiness with Fleet Bank.

A branch operation, located in New Hampshire, was recently closed due to declining sales. That closure caused the layoff of ± 75 New Hampshire employees.

The firm has very little interaction with the City of Middletown staff or elected officials. The most significant interaction has been with the local Fire Department and involves sprinkler testing at their plant. In September of 1991, after spending \$2,600 for alarm connection boxes which had been specified by the Fire Department, they were informed that another model would be required. After spending another \$5,000 for specified alarm boxes, they requested a sprinkler test from the Fire Department. The Fire Department responded "that an appointment would be necessary". The Fire Department was "too busy to come out" and test the system and "didn't have the manpower available". While the facts of this case may not have been fully detailed, the attitude left with these business owners was that the City of Middletown was uncooperative and difficult to deal with.

In addition, the detailed hazardous waste location maps and plans which were prepared by the company and distributed to the Fire Department have been virtually ignored. The company feels that the Fire Department could not locate the hazardous materials on site if there were to be a fire. Further, this reinforces the belief that the municipality does not care about the welfare of employers in the City.

The Aetna tax deferral was a source of major concern for the owner of the firm. He felt very strongly that tax deferrals or tax

abatelements were counter productive for the City. In his view, there is no reason for this sort of action in order to attract or retain a firm. Secondly, the infusion of Aetna into the Middletown labor market caused local labor rates to increase due to the competition for the available staff.

Finally, the owner suggested the City establish a program or policy that would give tax "breaks" (deferrals, abatelements, etc.) to any employer who built, added, or increased the size of their plant. Generally, Bill Ferguson was suggesting that above a certain threshold (\pm 5,000 square feet) any employer be given an accommodation in order to encourage expansion and the increased employment that such an expansion would generate.

The vitality and viability of the 40+ jobs at Mohawk Manufacturing, could be enhanced with virtually no City assistance. In general, an increase in communications and the modest positive benefits in the relationship that would result would yield a significant chance for retained jobs and growth increase in the City.

INTERVIEW NUMBER: 43
DATE: 6/19/92
CONTACT: Mark Quattro

NAME: Mark H. Quattro
TITLE: Attorney at Law
COMPANY: Mark H. Quattro, PC
ADDRESS: 520 Saybrook Road Suite 103
Middletown, CT 06457
PHONE: 344-9644

Mark Quattro, a local attorney and real estate developer has had a variety of experiences with the City and municipal staff. Many of the experiences have been positive although his reaction to certain items is negative.

Presently, Mark's law practice accounts for about 30% of his time. Management of existing properties (ProPark) and development of other properties (golf course) account for the other 70% of his time. The law practice is generally targeted to small entrepreneurial businesses and the health care industry. He maintains an office of about 650 square feet in ProPark. He has one full-time staff person and two part timers who are generally considered maintenance workers for the property.

Mark's business activities have been significantly impacted by the credit crunch. Two banks, Suffield Savings and Central Bank, were taken over by the FDIC. Mark had long-term borrowing and lending relationships with these lenders. At this time, he is working with the FDIC in an attempt to resolve issues related to outstanding loans with these institutions.

Mark has very clear and candid comments to make when asked about municipal services and/or municipal cooperation. He feels that both the Mayor and Bill Kuehn are easy to work with, cooperative, and try to be helpful. Planning and Zoning staff are also viewed as cooperative, helpful, and pro business. However, he was vocally negative about the Water and Sewer staff, Tax Collector's Department, and Tax Assessors Department. Police and Fire Departments were characterized as adequate to good.

In terms of City development, Mark recommends that the Harbor Park area be more intensively developed for the long-term good of the City. Note, however, that Mark Quattro has in the past represented Frank Marotta, the owner of America's Cup restaurant.

Mark characterizes himself as a strong supporter of the administration and a close personal friend of the Mayor.

When discussing the golf course development in the Westfield section of the City, Mark is candid to admit that financing is not likely to be available. In this economy and in the marketplace, golf course financing is virtually impossible to obtain. Institutional financing for golf course development, and offshore Japanese

financing for golf course development have "dried up". Mark points out that the golf course can only succeed if the banquet and peripheral accessory uses are also developed, and if they are financially viable. In our discussions, Mark admitted that the construction of the golf course was marginally probable or marginally possible at this time.

Mark is supervising the management and development of the 32,000 square foot hospital out-patient facility at ProPark. This activity is virtually full-time when added to the negotiations with CHEFA for hospital bonding that is necessary for this facility.

INTERVIEW NUMBER: 44
DATE: 6/19/92
CONTACT: David Meigs

NAME: David H. Meigs
TITLE: General Manager
NAME: Kerry J. Kuhlman
TITLE: General Manager
NAME: Warren C. Hadley
TITLE: Senior Consultant
COMPANY: Northeast Utilities
ADDRESS: 49 Randolph Road
Middletown, CT 06457
PHONE: 638-2205

My interview with Dave Meigs turned out to be somewhat unusual. David had invited his newly chosen successor, Kerry Kuhlman, as well as Warren Hadley, his local area manager, to attend the interview. Apparently, David thought that the questions we would be discussing would require Warren's input. Additionally, since Kerry was soon to take over from David, she had asked to be part of the interview process.

The most significant item that emerged from the interview process was the introduction of Kerry Kuhlman as the new general manager. Kerry is an attorney who has been with Northeast Utilities for some twelve years. Her last assignment was a staff position from which she was transferred to operations at her manager's request. Apparently she did outstanding work in her former assignment. Therefore, she was asked to step into operations and assist with some of the streamlining and internal re-organizing which is going on at this time.

David was unable to provide most of the requested data. For example, when discussing the number of employees on staff, his answers were generally vague and ambiguous. Northeast cannot give us an accurate count of the number of employees at the Randolph Road complex because the numbers shift on almost a daily basis. Additionally, general census data about where employees live was unavailable. Finally, questions relating to the number of customers were deemed sensitive information and not for public dissemination. Therefore, there was very little data obtained during this interview.

Warren, the senior consultant and staff person charged with the Middletown market area, was helpful but provided little meaningful insights. His observations were limited to the need for additional police cruisers on Westlake Drive because CL&P have had three poles destroyed in the last several weeks. Warren commented that police and traffic safety requirements in the City were excessive when Northeast was working; electrical inspection was considered good by the company; and that Public Works frequently requested facility upgrades on items such as sidewalks and street repairs. Dave Meigs commended the Mayor and Tom Hutton specifically for their efforts

in the field of economic development. Additionally, Bill Kuehn was singled out for praise as being helpful, cooperative and easy to deal with.

All three interviewees had adopted the large institutional perspective that "everything is under control" and indicated that "they could handle any problems that might arise".

Northeast Utilities' current streamlining and cost cutting initiative has had a significant impact on staffing level and correspondingly on the perspective of current employees. All CL&P/NEU employees seem focused on job retention and business retention for Northeast Utilities as opposed to the wider field of economic development or economic growth in the State of Connecticut.

INTERVIEW NUMBER: 45
DATE: 6/19/92
CONTACT: Frank Buchanan

NAME: B. Frank Buchanan
TITLE: Manager
COMPANY: ITT Skotch
ADDRESS: 19 Tuttle Place
Middletown, CT 06457
PHONE: 632-1599

Skotch Company, started by Frank Buchanan in 1976, manufactured oil burner controls for large gas and fossil fuel industrial powerplants. His firm was acquired by IT&T Company in 1990. In 1990 the firm was located in Middletown in 12,000 square feet of leased space and employed twenty-five people.

The firm, now renamed ITT Skotch, is being relocated to Pennsylvania. ITT SKOTCH will be a "cell" within a large manufacturing plant which is reflective of the new ITT manufacturing philosophy.

At the time of our interview, Frank Buchanan was overseeing the relocation of the company as well as the termination of all employees who elected not to relocate or who had not been asked to relocate to Pennsylvania. Thus, during the interview, there were frequent interruptions with a variety of crises. In general, it was a desolate and dispiriting interview.

However, there is a new - as yet untitled - company which is going to be located in this area. This offshoot of the ITT repair division/ITT Skotch is repairing high technology equipment used on nuclear submarines. At this time, the operation is headquartered on Tuttle Road but is using less than 1,000 square feet of the available space. However, Frank Buchanan indicated to me that this company would be expanding and consolidating in the near future. Hopefully, Middletown can attract the business and the consolidation of the California and Connecticut operations will take place in Middletown.

I was introduced to Bill Duke, manager of the repair facility, who expressed a strong desire to stay in Connecticut. This business retention lead should be followed up by City staff. Apparently, based on Frank Buchanan's comments, the combined California/Connecticut operation could employ up to 30 or 35 people once it is fully operational in 1992.

INTERVIEW NUMBER: 46
DATE: 6/19/92
CONTACT: Vin Scarrozzo

NAME: Vincent S. Scarrozzo
TITLE: President
COMPANY: Heitco Manufacturing
ADDRESS: 60 Tuttle Road
Middletown, CT 06457
PHONE: 632-2300

This CNC machine shop has been hard hit by both defense cutbacks and the economy. In relation to the credit crunch, the firm had a line of credit with Connecticut National Bank canceled in 1990. They presently have loans outstanding to Connecticut National Bank and Farmington Savings Bank in excess of \$100,000.

The owners are attempting to obtain a working capital loan of approximately \$200,000. They have been/are working with Neil Ware at the Small Business Administration. In addition, they have been working with Betsy Hunt of the Department of Economic Development and Dick Graff of the CDA. At this time, they have not obtained either positive or negative answers. They are quick to admit that they need to prepare a better financial package including operating pro formas. Apparently, based upon our interview, they do not have this material prepared and are, therefore, having difficulty with CDA and the SBA financing.

The firm has shrunk from a staff of fifteen to the present employment of eight personnel. Their target market, the aerospace industry, has been battered by both defense cutbacks and the recession. Typically, they produce for Pratt & Whitney and other government national sales. The owners estimate that 25% of their product line is sold to commercial accounts and 75% of their present product line is defense dependent. They are, at this time, attempting to develop new product lines and broaden the market of the firm.

This small manufacturing firm, locally owned and in business since 1967 could benefit greatly from City assistance. Specifically, if City staff could assist with the preparation of a good financial package and also assist with a re-payment schedule for personal property taxes with the City Tax Collector, the firm would be well served.

Finally, the owners noted the need for a traffic light at the intersection of Newfield and Tuttle Road. Apparently, based on speed and sight lines, there have been a number of accidents at this location. Trucks have an especially difficult time entering Newfield Street from Tuttle Road.

INTERVIEW NUMBER: 15 & 47
DATE: 6/9/92
CONTACT: Bob Quirk

NAME: Robert F. Quirk
TITLE: President
COMPANY: Alpha Circuits, Inc.
Printed Circuit Services, Inc.
ADDRESS: 331 East Main Street
Middletown, CT 06457
PHONE: 347-0773 or 347-2258

These allied businesses were started in the early 80's by three Middletown residents. The businesses specialize in the high tech printed circuit board industry. Alpha Circuits, Inc. produces and manufactures circuit boards for a variety of customers including Hewlett Packard and IBM. Printed Circuit Services, Inc. specializes in service to the circuit board industry including testing and design of prototype products for manufacturers who utilize circuit boards.

The businesses are located in a converted mill building on East Main Street. The firms employ approximately 20 people at this time. However, as recently as 1991, the firm employed over 35 people. This reduction in staff is attributable to a line of credit which was canceled in 1990. Subsequent to 1990 the firm has been operating on cash flow, and has been forced to adopt a belt-tightening mode more in line with cash flow requirements.

The firm currently has orders for products, which, if manufactured on a reasonable basis, would necessitate expansion and additional floor area. However, due to the credit crunch and cash flow restrictions, the firm is unable to adequately service their customer base. If these customers were to be properly serviced, the firm would require an additional 20,000 square feet of manufacturing space, would re-employ all 15 laid off employees, and would add 15 new employees in production.

The Bank of Boston withdrew its line of credit in January of 1990. This \$450,000 line was used for the ongoing operations of the firm. At this time, their banking relationship is characterized as very unsatisfactory.

The firm has been negotiating for a capital improvement loan (\$250,000) with the CDA. Their comment is that it took eight months from the first discussion with CDA to the application stage. This eight-month delay, while considered normal and usual for CDA, is unacceptable in the private sector, and is illustrative of the problems with the CDA loan experience.

The firm has little or no interest in working with the State after the CDA experience.

The City could be helpful to the firm if the past due water bills

and personal property taxes could be paid over a period of time. Please see letter dated June 9, 1992, and a second letter dated June 23, 1992, regarding these issues. Apparently, if the ± \$65,000 were paid over a three-year term, while keeping the current water bills and tax bills up to date, the viability of the firm would be significantly enhanced. This may be an issue that is within the parameters of City assistance and could fit the economic development staff's portfolio.

INTERVIEW NUMBER: 48
DATE: 6/22/92
CONTACT: Vin LaBella

NAME: Vincent J. LaBella
TITLE: President
COMPANY: LABCO Welding, Inc.
ADDRESS: 129 Industrial Park Road
Middletown, CT 06457
PHONE: 632-2625

LABCO Welding is a classic New England job shop. The owner, when asked what sort of business he would entertain, replies that he will do anything that may prove profitable. Specifically, LABCO is a sheet metal fabricator (40% of their business), machine shop operator (10% of their business), and a welding shop (50% of their business).

Vin LaBella, a former Pratt & Whitney apprentice, started the firm in 1970 in Middlefield. In 1978 they moved to their present location. In 1985 they made a sizeable addition to the building.

Business is characterized as being "very bad"; 1990, the last good sales year, was succeeded by a 1991 sales decrease of 15% and flat to declining sales in 1992. The owner reports that the economy has not yet bottomed out; he expects two more years of negative sales; and that he will continue to operate on a strictly cash basis. The owner recently paid down debt and has positioned himself to be able to operate without credit or bank financing.

This firm is considered a very high-tech, very precise manufacturer of various metal components. Apparently, Pratt & Whitney has done a great deal of business with the company and uses LABCO for many of their specialty pre-production items necessary for testing of new equipment.

Vin reports that he is presently negotiating a two-year contract with Pratt & Whitney for the production of certain proprietary items. If this contract materializes, the owner will need to add up to 5,000 additional square feet to the present building. Apparently, the land and site will accommodate this addition. The owner would like to request City assistance with the expeditious approval by the Planning and Zoning and Building Departments.

The concept, espoused by several business people, of tax abatements or tax deferrals on new plants or additions to existing plants could come into play with this particular manufacturer. If LABCO adds 5,000 square feet of space to their building, they would immediately employ additional staff.

The owner claims to be very aggressive in his bidding and pricing practices. He admits that the average job leaving his shop is valued at approximately \$50.00. On the other hand, while touring the facility, I saw several large stainless steel items which were

priced well over \$10,000 per item. Thus, this particular shop will entertain any work which the owner considers practical and profitable.

INTERVIEW NUMBER: 49
DATE: 6/22/92
CONTACT: Adler Dobkin

NAME: M. Adler Dobkin
TITLE: President
COMPANY: Rayco, Inc.
ADDRESS: 80 Industrial Park Road
Middletown, CT 06457
PHONE: 632-2444

Rayco, Inc. specializes in custom metal finishing and tends to focus almost exclusively on turbine blades. Their specialty, dimensional polishing, is particularly appropriate for companies such as Turbo Products or others in the power generation industry. For example, most of their product is used in the power generation industry for steam turbines or other turbine uses.

This business is viewed as an easy entry business by the present owner. He is candid to admit that there is little capital required (sanding and polishing machines and belts) and very little education or skill necessary. What talent or skill is necessary is generally taught in the shop. However, he also points out that certain jigs, fixtures, and trade processes that enhance the profitability of his business, are specific to his firm. Thus, he has little or no competition in the central Connecticut marketplace for dimensional polishing of specialized turbine blades.

This business appears to be counter cyclical to the economy. When the economy is declining, the power generation industry has traditionally experienced increasing sales. Since most of the turbine blades polished by this firm are used in the power generation industry, the firm had strong sales in 1991 and expects 1992 to be even better. Thus, the owner is pleased to report that his business also seems to be counter cyclical to the economy as a whole.

Both Vin LaBella at LABCO Welding and Adler Dobkin at Rayco, mentioned how satisfied they were with the helpfulness of Joe Carney from MIDCO. They also noted that Larry McHugh was helpful and readily accessible should problems arise with the City.

Adler pointed out that his business had very little expansion possibilities due to the periodic starts and stops in the turbine industry. This is an industry in which there is no appreciable backlog of orders. He characterizes his operation as day-to-day and reported that he had no idea what work he would have in the shop later in the week or for the following week.

Adler is a big booster of the Chamber of Commerce and has frequent communications with Larry McHugh. When he needs help, he indicated that he has frequently called on Larry to provide that help. At this time he is actively looking for a product or a service to add to his business. In an effort to eliminate the peaks and valleys

of the polishing business he is actively seeking another business opportunity. His son, who recently joined the business, is also actively seeking additional business opportunities to add to the Rayco product line.

This business has growth potential of which the City should be aware. Adler is about ready to retire and his son is now preparing to take over the business. However, the business must become larger and more profitable in order to support both the father's and the son's families. Therefore, this family is actively looking for additional business. Given Adler Dobkin's track record, I suspect that he will succeed in finding a business and creating another profit center.

INTERVIEW NUMBER: 50
DATE: 6/22/92
CONTACT: Murray Gerber

NAME: Murray A. Gerber
TITLE: President
COMPANY: Prototype and Plastic Mold Company, Inc.
ADDRESS: 35 Industrial Park Place
Middletown, CT 06457
PHONE: 632-2800

This firm, started twenty five years ago in Haddam, has been located at this site since 1980. Three years ago, the firm employed over one hundred staff. Today, there are fewer than sixty-five full time people at the plant. This staffing reduction is attributable to: 1. Right sizing. 2. Productivity improvement efforts, and 3. A reduction in the layers of middle management necessary to operate the facilities and business.

The firm considers its niche market to be the short run provider of injection molded parts. They do not see themselves as a high volume producer. Rather, they see themselves as being short run, high quality at a fair price. Their customer base (\pm 300) is national with approximately one-half Fortune 1000 firms.

In general, (not to repeat the entire Murray Gerber story) it is accurate to portray Murray as unhappy with business in New England. Prototype closed a plant in Greenfield, Massachusetts last year. That property has no debt and the company will continue to hold the facility until it can locate an appropriate buyer.

Murray expects that the economy will not turn around in New England until the turn of the century. He expects Electric Boat to be a repair yard by 1995 and notes that most of the insurance companies have significant real estate problems which have yet to be addressed. Thus, in Murray's view, the underlying fundamental economics are not appropriate for the resurgence of a strong economy in either Connecticut or in New England.

Murray is attempting to assemble a financial package through the State of Connecticut involving a refinancing of his 1982 CDA mortgage, refinancing of his business loans, business retention rates through the electric companies, grants for job training, and a grant package from the Department of Economic Development. If he is able to package all of these elements, he will achieve a 6% to 7% yield on his bottom line at present sales volume. If not, he informs me that he will move to another location where the profit potential is greater; wage bases are lower; and government is much more supportive of business.

It is likely that Murray Gerber will obtain the financing and grant monies that he seeks from the State. His high visibility and constant outspoken criticism of business conditions in Connecticut have made him a very public figure in the business community.

However, given his drive for "right sizing" during the past three years, it is important to note that the company's employment base will probably continue to decline. Thus, Prototype and Plastic Mold may continue to enjoy high sales and strong profits while employing ever fewer Middletown employees.

INTERVIEW NUMBER: 51
DATE: 6/22/92
CONTACT: George Katsarakes

NAME: George S. Katsarakes
TITLE: Plant Manager
COMPANY: Pratt & Whitney
ADDRESS: Aircraft Road M/S 401-15
Middletown, CT 06457
PHONE: 344-4404

The Middletown facility has approximately 3,000 United Technology's personnel employed on site. Of these, 2,850 are Pratt & Whitney employees and approximately 200 are ONSI (Fuel Cell Development Team) employees.

George Katsarakes has been plant manager in Middletown for nine years. He reports good rapport with the City and says that he has excellent relations with the Mayor. In his opinion, Mike Cubeta was not a communicator and Paul Gionfriddo closed the Mayor's Office to outside business interests. George reports that Leon Vinci, Director of Health, is their most frequent City visitor and also reports that they view their relationship with Middletown as being exemplary.

The largest business problem facing George at his Middletown plant is the Workman's Compensation issue. He reports that 2% of his staffing complement are out on long-term disability attributable to Workman's Compensation. Additionally, he reported that 50% of his material handlers have some medical restrictions that curtail their level of effort and productivity. Thus, he is both frustrated and hampered by medical/Worker's Compensation issues.

George is extremely interested in education. He discussed (at length) South Carolina tech centers and the training programs which he had seen at these tech centers earlier in his career. He suggested that any cooperative effort between the City of Middletown and Pratt & Whitney in the area of developing the tech center concept would be wholeheartedly supported by Pratt & Whitney. Grace Reed, Director of Training for Pratt & Whitney, has an office in East Hartford. George suggested that we contact her to discuss the development of this joint training program.

In general, Pratt & Whitney is actively engaged in the creation of innovative work practices and development of their staff. The corporate view is that the economy is at the bottom; we are about to start a very slow long term recovery and the company is espousing a modestly optimistic attitude. George, however, is less optimistic. He worries about the Presidential election. He observes that we are not at the bottom of the recessionary cycle yet and does not think that the upturn will occur until late 1993 or 1994. He also thinks that any upturn in 1993-1994 will be the result of luck rather than skill.

George commented that he does not expect to see the US economy ever again the most productive and efficient in the world. He does not expect there to be further Silicon Valley or Route 128 phenomenons. Rather, he expects a much more level playing field with other businesses in other countries becoming much more aggressive in their marketing and business practices.

In general, Pratt & Whitney plant management seemed to feel very comfortable with the City staff and the present administration. The technical training centers concept and the possibility of doing a joint venture with Pratt should be explored both for the programs that might develop and also for the opportunity to work in concert with Pratt & Whitney and develop the relationship. .

INTERVIEW NUMBER: 52
DATE: 6/22/92
CONTACT: Tom Coughlin

NAME: Tom Coughlin
TITLE: General Manager
COMPANY: Comcast Cablevision of Middletown, Inc.
ADDRESS: 19 Tuttle Place
Middletown, CT 06457
PHONE: 632-1139

Comcast leases a 12,000 square feet of retail sales, office, and service facility. The lease expires in 1999. Comcast National, headquartered in Flint, Michigan, reports that the Middletown franchise has achieved a 77% market penetration versus 55% average nationally. While Comcast marketing is necessary, they do freely admit that sales of the premium cable channels have declined due to the economy. Lower sales of premium channels have an effect on the basic cable rates. As the volume or quantity of premium channel sales decrease, the basic cable rates are forced up in order to cover the fixed cost of business. Tom attributes this cutback in premium cable sales to the recession.

Comcast's relationships with the City of Middletown are characterized as usually very positive. Comcast does not require anything from the City at this time and feels that the City has been most cooperative and helpful as a rule.

The telephone company (SNETCO) is seen as a direct competitor of Comcast Cable. Note that Storer Cable, franchisee for the southern part of the County, is owned by Comcast. In addition, PCN (Personal Communication Networks) are seen as the wave of the future and a direct competition to Comcast.

The DPUC has ordered that all Connecticut cable companies finish rebuilding their systems by year end 1994. For Comcast, this means that their entire system has to be rebuilt in the next 25 months. This rebuilding entails a great deal of rewiring including the use and installation of new fiber-optic cable systems. This rebuilding, when completed, will enable everyone in the State to receive a minimum of 54 channels on a closed cable system.

INTERVIEW NUMBER: 53
DATE: 6/22/92
CONTACT: "Mickey" Augeri

NAME: Michael R. Augeri
TITLE: President
COMPANY: Town & Country Auto Sales, Inc.
ADDRESS: 750 Newfield Street
Middletown, CT 06457
PHONE: 347-4471

Mickey Augeri reports a significant downturn in his automotive business, although these comments reflect national trends in the automotive business. He has been an automobile dealer in Middletown since 1957. At his present location since 1973, he carries the Buick, Cadillac, Eagle, Jeep, Lincoln, Mazda, Mercury, and Nissan lines. Typically, Town & Country maintains five distinct automobile profit centers: sales of new cars, sales of used cars, service, parts, and auto body repair.

The credit crunch has had a significant impact on Town & Country Auto. The bank credit reduction has forced his management team to reduce expenses to "dangerously low levels" and to cut back on inventory. This inventory reduction is especially significant given a possible modest upturn in the economy. Without inventory the automobile dealer cannot hope to attract the customer when that upturn does occur.

Mickey believes that the recession has bottomed out and that our economy will remain stable for the next two to three years. Based upon this belief, the company is now focusing on used and one year old cars. Recently they opened Affordable Automobile on Washington Street. This property, formerly AAMCO Transmission Shop, has been owned by Mickey for many years. However, the decision to open a used car lot at this location was more a function of the economy and his perception of the marketplace than lack of a tenant for the property.

In discussions with Mickey, he characterizes his present business situation as similar to the start of his business career in 1957. He admits that at this time he is "having no fun and making no money".

In order to attract and maintain customers, the firm has recently employed a full time customer relations person. This personal service is the key to the future of auto sales according to Mickey Augeri.

When questioned about growth, the owner reported that he would not rebuild in Middletown but would rather go to the greater Hartford area. He feels that Newfield Street is not turning into a high quality retail environment as he had expected. Rather, the dump matter has caused him to re-evaluate his position and to re-think his location in Middletown.

Based upon our interview, there seems to be little immediate help available from the City. Credit availability and an upturn in automobile sales are required in order to assist this business. Assistance with CDA loan programs may be in order.

INTERVIEW NUMBER: 54
DATE: 6/23/92
CONTACT: Dick Knotek

NAME: Richard E. Knotek
TITLE: Certified Public Accountant
COMPANY: Richard E. Knotek, CPA
ADDRESS: 700 Plaza Middlesex
Middletown, CT 06457
PHONE: 344-8883

This small accounting firm, opened in Middletown in 1976, has been located at this address since December of 1989. The firm leases 1,800 square feet from Middlesex Mutual Assurance. The lease expires in December of 1992, although the tenant has a three-year renewal option. This CPA firm is self characterized as a "businessman's accountant". They use a partnership approach with their clients, focus on companies with annual sales of one to fifteen million dollars, and are not industry specialized. Rather, they take a broad spectrum approach to client service. The firm has little interaction with defense dependent industries.

The owner reports that accounts receivable have become a significant management issue during the past eighteen months. His cash flow is very modest although his account receivables have tended to grow dramatically. However, he also notes that he continues to work with his clients despite the aged accounts receivable issue. This CPA has adopted the long view and believes that we are beginning a period of very slow growth. He feels that credit is starting to be available and the recession is almost over. This will, in his opinion, result in the accounts receivables resolving itself and an improvement in his cash flow.

Note, however, that the firm has lost a significant number of their clients due to the recession. These client firms have gone out of business due to the downturn in the economy. He reports that it is not unusual to have a client go out of business within a matter of weeks without his knowledge.

When discussing suggestions for improving Middletown, Dick Knotek offered the following comments: 1. There has been an over emphasis on the downtown/retail/Central Business District. The focus should be changed to a more broad effort to market the entire Middletown area. 2. The Chamber is perceived as having an emphasis on the Middletown location. Rather, he believes that they should emphasize the region and other regional businesses. 3. Dick suggest that the retail Main Street corridor will never regain its prominence as a retail corridor. However, he does believe that the Central Business District has potential for long-term growth as a service sector location for the County.

Finally, when discussing present staffing levels, he acknowledges that he may have one or one and one-half people too many for the economy of the 1990's. This thinking may be a precursor of staff

layoffs although he will not make the decision until Fall or early Winter.

INTERVIEW NUMBER: 55
DATE: 6/23/92
CONTACT: Gary Gomola

NAME: Gary Gomola
TITLE: Partner
COMPANY: Brown, Coughlin & Gomola, CPA's
ADDRESS: 98 Washington Street
Middletown, CT 06457
PHONE: 347-3881

Gary Gomola has been a Certified Public Accountant for sixteen years. The firm of Brown, Coughlin & Gomola - formed four years ago - leases 2,300 square feet of space at this location. The lease, executed in 1990 with an expiration of 1995, also has a five-year renewal option. Gary is frank to admit that the 2,300 square feet of space was leased in anticipation of a growing economy and expectations that the firm would experience significant growth. However, due to the economy, the firm did not grow as anticipated and they now report excess space available for sub-lease.

In general, Gary characterizes the present business climate as uncertain to modestly improved. For the first time in two years he has begun to receive calls about new start up businesses.

This recession curtailed the firm's expansion plans, added higher fixed overhead costs to their operations, and they have seen significant accounts receivable growth. On the other hand, the firm presently characterizes itself as being understaffed by approximately 1/2 person for the last two years.

Gary admits to little experience with Middletown City government. Although he has recently completed a one-year term as president of the Chamber of Commerce, he admits that his experience with municipal, state or federal political officials is negligible. In terms of Middletown politics, it was his observation that there seemed to be a great deal of "fighting for fighting's sake". However, he would relocate the firm to Middletown again primarily for reasons of prestige and access.

Gary notes the need for more businesses in town to fill the retail and industrial space available. He hopes that Main Street will not die, although he does not have any thoughts on how to save the downtown area. He does note, however, that the merchants seem unable to help themselves. Perhaps, he speculates, they don't know how to help themselves.

Gary believes that the 1992 economy is slow, but not as slow as 1991. He notes that many of his clients cut back on interim services such as tax planning in 1990 and 1991, but that tax planning work has begun again in the past few months.

INTERVIEW NUMBER: 56
DATE: 6/23/92
CONTACT: Ken Gronbach

NAME: Ken Gronbach
TITLE: President
COMPANY: K. Gronbach & Associates, Inc.
ADDRESS: 151 Broad Street
Middletown, CT 06457
PHONE: 347-6626

K. Gronbach & Associates, Inc. with a staff of fourteen full time people has been located at its present location since 1984. However, they have recently outgrown the space and are considering adding an addition to the building. This addition of approximately 5,000 square feet is not yet at the schematic design phase. Presently, BKM is providing space planning services for Gronbach in the existing facilities. However, Ken expects to double his staff (to \pm 30 people) within the next two years. Therefore, an addition will become necessary sometime in 1993.

K. Gronbach & Associates is a full service advertising agency specializing in the retail area. According to Ken, retail sales are "immediate response" and have specialty elements which are not typically found in business advertising. The market for K. Gronbach & Associates' ranges from Pittsburgh through the Washington DC area and into Maine.

Ken Gronbach believes that there is still a wide variety of opportunity available to anyone interested in the business world. He believes that the economy is undergoing a catharsis which is going to be helpful in the long run. He notes that trends are the key to long term business success. For example, Bob's Stores have positioned themselves as a lifetime destination store. He discussed positioning versus product and drew the analogy between Bob's Stores and the retail sales of mattresses and bedding. Finally, he believes it will be four to five years before the economy begins a recovery. Even at that time, he believes the recovery will be modest to slow.

Ken has recently purchased new computer systems and upgraded his existing systems. He is tied into high tech systems throughout the company and has invested heavily in the CAD/CAM electronic data system.

In general, Ken feels that service to business and industry in Middletown is good. The Mayor is very helpful and Tom Hutton received very high marks for assistance provided to the business community.

Ken will require a certain amount of assistance for the new addition which will soon be planned for the property. He would like to have whatever planning and zoning help might be available in order to make design and production of the addition as painless as possible.

In addition, he wonders if there are any facade improvement monies available through the Middletown Preservation Trust.

He notes that he has ongoing property management problems with the tenants next door. Finally, he expressed some unhappiness about the requirement for dumpsters imposed upon all downtown businesses by the Public Works Department.

INTERVIEW NUMBER: 57
DATE: 6/23/92
CONTACT: Mark Goldreich

NAME: Mark Goldreich
TITLE: Vice President
COMPANY: Rayco Metal Finishing, Inc.
ADDRESS: 134 Mill Street
Middletown, CT 06457
PHONE: 347-7434

Rayco Metal Finishing, Inc., not to be confused with Rayco, Inc., provides metallic electroplating, anodizing, polishing, and buffing services for various international firms. The company, started forty-five years ago in Middletown, has been at the present location for thirty-four years. This 7,500 square foot antiquated industrial property is owned by the Goldreich family.

Although Rayco sales are distributed throughout the Northeast, IBM, Dupont, and US Surgical represent Rayco's three largest accounts. Rayco Metal Finishing is one of only nineteen IBM approved shops in the United States for certain polishing operations. For example, some of the large framework for the IBM mainframes are polished by Rayco. Sales during the past three-year period have been level, but this is primarily due to the fact that US Surgical sales (and correspondingly Rayco sales) have been growing during this time. Thus, while IBM and Dupont orders have declined, US Surgical sales (and correspondingly Rayco sales) have continued to grow exponentially. However, orders from these firms tend to come in on a very short term basis. Therefore, the firm does not have a backlog of orders nor is it able to predict day-to-day sales for the next thirty-day period.

The owner, son of the firm's founder, reports no strong feelings about Middletown. The police have been extremely helpful and he expects that if he were to relocate the business, he would relocate to Middletown because of its location and its distribution access to the highways. However, he also expressed a great deal of anger at the "tax deal" given to Middlesex Mutual Assurance. This negative reaction to the Middlesex Mutual Assurance tax abatement is similar to the feelings expressed by Bill Ferguson at Mohawk Manufacturing, Fred Jackson of Jackson Chevrolet Company, and Bob Curtin of Insurance & Real Estate Center.

Mark was genuinely impressed with the City's effort to establish a business outreach program. He was anxious to cooperate and offered to assist in any way possible in attracting more businesses to the City.

Finally, a note about the natural and business environment. Rayco is in the process of installing a new process water filter system. This machinery, which cost several ten's of thousands of dollars, was financed internally due to the lack of available credit in the marketplace. Thus, the typical small business is being faced with

requirements and impositions for increased technical machinery without the capacity to obtain needed credit. Fortunately, Rayco was able to pay for the equipment through self-generated earnings and cash flow.

INTERVIEW NUMBER: 58
DATE: 6/23/92
CONTACT: Whitney Garlinghouse

NAME: Whitney B. Garlinghouse
TITLE: President
COMPANY: The Garlinghouse Company
ADDRESS: 34 Industrial Park Place
PO Box 1717
Middletown, CT 06457
PHONE: 632-1064

The Garlinghouse Company publishes architectural plans and distributes them internationally. This business, self-defined as a publisher and mail order business, moved from Topeka, Kansas to Middletown in 1986. The firm leases 7,600 square feet of space in the Industrial Park. The owner, however, wants to own corporate real estate and would prefer it to be in Middletown. The firm's sales are national in scope. Therefore, the local or Northeastern economy is of negligible influence on sales. Actually, the downturn in the Northeast has been of help to the Garlinghouse Company. The net result has been lower labor costs and lower commercial real estate leasing prices.

Although Whitney Garlinghouse considers Middletown to be "seedy", he admits that he has not had any interaction with municipal officials. On the other hand, he is actively and aggressively interested in owning real estate in the downtown area. He has seriously considered the Sanseer Mill property and was working closely with Evan Noglow of The C.M. Burr Agency on acquisition of the facility. However, the property proved too costly and Whitney felt that the City's attitude was not particularly helpful. In order to make the economics of this property acquisition work, a significant tax abatement would be required in addition to a write-down of the acquisition price by the present owner.

Apparently, Whitney has discussed the Sanseer Mill acquisition with the DED and was given assurance that financing is likely if a tax abatement could be negotiated with the City.

In general, Whitney does not believe that the Northeast states or municipal governments understand business promotion. He points out that in the west and midwest, business incentives are much more readily available and that the relative value of an incentive is much more significant than in the Northeast.

In summary, the City should seriously investigate the feasibility of assisting Whitney Garlinghouse with the acquisition of the Sanseer Mill complex. Apparently, the company is well positioned financially to enable them to qualify for DED/CDA financing. Properly structured tax abatement or tax deferrals on improvements could be a significant impetus to property acquisition by this businessman.

INTERVIEW NUMBER: 59
DATE: 6/23/92
CONTACT: Chuck Embree

NAME: Charles W. Embree
TITLE: General Manager-Power Services Northeast Region
COMPANY: ABB Service Company
ADDRESS: 34 Industrial Park Place
Middletown, CT 06457
PHONE: 632-0522

ABB Service Company is a sales and service operation providing heavy industrial and utility customers (Northeast Utilities, Pratt & Whitney, etc.) with electrical and electro-mechanical repair. The company competes directly with Westinghouse, General Electric, and Siemens in this marketplace. This particular sales office is responsible for sales and service throughout New England. The manager finds the Middletown site ideal because of its central location with easy access to all of the state highways.

Presently, the firm leases 6,000 square feet - 1,300 square feet of office and 4,700 square feet of repair/storage - and has occupied the site for over ten years.

Based upon his business experience, Chuck feels that the economy has not yet hit bottom. He predicts a slow recovery, and characterizes the recovery as perhaps not even noticeable over the next three to five years.

In terms of business prospects, ABB can demonstrate that there are no longer large industrial development projects in this part of the country. At this time, emergency and repair efforts are the norm. The various customer purchasing departments are "calling the shots" (defining acceptable prices) and Chuck feels that this is the new wave of business for the 90's. He characterizes the present economy as being price driven and sensitive to service.

According to Chuck, the ABB lease has expired and he is negotiating a new lease. While Chuck is optimistic that a new lease can be executed he is somewhat nervous about the perceived inflexibility of the landlord. ABB corporate, headquartered in Stamford, has been very aggressive in field service operation leasing and has stipulated significant rental concessions for other field offices. If this office were to be relocated from Middletown they would probably move northerly into the Hartford - Rocky Hill area which would still provide good access to the highway system and to the Northeast region.

INTERVIEW NUMBER: 60
DATE: 6/23/92
CONTACT: Mike or Steve Winham

NAME: Michael Winham
TITLE: Chef/Owner
Stephen A. Winham
Manager/Owner
COMPANY: Fiasco's Restaurant
ADDRESS: 98 Washington Street
Middletown, CT 06457
PHONE: 344-0222

The owners of Fiasco's Restaurant characterize it as a blue collar restaurant serving average Middletown class people. They characterize this marketplace as blue collar and have targeted the market by down scaling prices four times in the past year. At this moment they are aiming for an economy-based market, providing the "most for the dollar", and trying to target those people who feel that volume or large portions are more important than quality. At the same time, they feel that they are maintaining their quality standards and attempting to give a quality product for a very low price.

Recently, sales have been flat or declining and the brothers reportedly are working every day trying to keep the business afloat.

Each of the brothers reports that Middletown has potential but that it is underdeveloped. They characterize local politics as unorganized and not terribly effective at problem resolution. They feel that, in general, municipal services are reasonable and adequate. Fire and police were specifically noted as being above average. However, in their view, it "takes forever to accomplish anything" within the context of municipal government.

The street people are a source of constant trouble and anxiety to these young businessmen. The general population's perception of danger, especially at night, adds further to the difficulty of marketing the restaurant in the evening. In addition, they feel that the lack of parking downtown is a significant issue which has had a negative impact on their business. In retrospect these two owner-investors are quick to admit that they would not invest in a Middletown restaurant again.

Apparently, Fiasco's Restaurant is an acceptable and accepted destination for Wesleyan University students. The owners report that the relationship with Wesleyan has been good and they seem to do a fair amount of Wesleyan business. However, they also admit that when Wesleyan students are on vacation their business declines forty to sixty percent. They are attempting to strengthen their ties to Wesleyan and to the City at this time. The restaurant is a reluctant member of the Chamber, but is not a member of the Connecticut Restaurant Association. At the same time, the owners decry the lack of entertainment downtown and also note that

restaurants do not seem to have a significant voice in the community.

In general, this restaurant's struggles with the recession are similar to most others in town. They have down scaled prices and reduced overhead to a significant degree. However, their marketing plans seem to be less than adequate. They report no formal relationship with Wesleyan (admittedly their single strongest market) and have only reluctantly and recently joined the Chamber to increase their visibility. Finally, they have little knowledge of, or interaction with, other restauranteurs in the Central Business District.

The long term viability of this operation could be enhanced with the preparation of a business marketing plan.

INTERVIEW NUMBER: 61
DATE: 6/23/92
CONTACT: Wynn Guptill

NAME: Winthrop Guptill
TITLE: President
COMPANY: Northland Corporation
ADDRESS: 446 Smith Street
Middletown, CT 06457
PHONE: 632-7227

The owner of this small firm, formerly located in East Haddam, has been involved in the heating and cooling business for over thirty years. During its twenty-three year tenure in East Haddam, the firm manufactured boilers and heating equipment. Recently the firm moved to Middletown and has become a manufacturers representative rather than a manufacturing concern.

The firm has been located in Middletown since 1988. The firm has a staff of three people and occupies 1,500 square feet of leased space. This business, a manufacturers' representative for heating, controls, burners, etc., services customers throughout the Northeast. They report no significant increase nor decline in sales since 1988. This may be due to the fact that their business start up and the inception of economic recession were co-incidental.

The owner reports that his banking relationships with Glastonbury Bank & Trust for the last thirty years have been excellent, and that he considers his banking relationship to be good or better.

This owner had no interest in municipal assistance nor did he have any interest in State or Federal programs to assist his business.

When discussing City efforts to improve business, Mr. Guptill requested that I submit his request to the City for better repaving and manhole covers. Apparently, several manhole covers adjacent to his office location were set too high and caused his car to bump over them. The owner requested that the sewer covers be properly adjusted in the future to avoid hitting his car.

This interview was probably my most brief and was the least productive of any of the businesses with whom I had contact.

INTERVIEW NUMBER: 62
DATE: 6/24/92
CONTACT: "Bro" Adams

NAME: William Adams
TITLE: Executive Assistant to the President
COMPANY: Wesleyan University
ADDRESS: Middletown, CT 06457
PHONE: 347-9411 Extension 2682

William (Bro) Adams was brought to Wesleyan University by Bill Chase the newly appointed President of the University. According to Bro, he has been working with Bill Chase for the last seven or eight years at other institutions throughout the country.

Wesleyan University employs seven hundred full time staff people on campus. Of these, 75% are estimated to live in Middletown. With an average faculty salary of \$60,000 and an average non-faculty salary of \$30,000 (a blended average of \$45,000 per year) the potential net payroll contribution to the Middletown economy is \$23,000,000 per year. This overly broad analysis discounts any contributions made by the 150 part time people employed on the Wesleyan campus.

Wesleyan's national and international image is not enhanced by being located in Middletown, Connecticut. The Middletown campus is not perceived as a particularly useful location when recruiting students. The Central Business District is not viewed positively nor is it characterized as having an urban culture. Rather, students report Middletown is a closed city and are frequently very negative about the community. While the size and scale of the City is good, few Wesleyan students report positive experiences in their relationship with the Middletown business community.

While much work is being undertaken to improve this town/gown relationship, the students continue to comment that there is a lack of interesting night life and a significant lack of shopping available to them. Generally, other than Bob's, they prefer to leave town and travel to Meriden, Hartford or New Haven. On the other hand, the recently opened Neon Deli has done a marvelous job of attracting the student population and is, apparently, prospering.

While "Bro" admits to a lack of long term experience, he feels that there is a generally good relationship between the University and the municipality. On the other hand, he expressed some strong concern and felt that the City needs a partnership which can create a comprehensive core plan for the downtown. Absent this comprehensive core plan which accommodates Wesleyan University's needs the Middletown/Wesleyan relationship is probably not going to prosper and grow.

In general, Wesleyan consistently receives strong support at the staff level from Planning and Zoning, Police, Fire, etc.

INTERVIEW NUMBER: 63
DATE: 6/24/92
CONTACT: Diane Labbadia

NAME: Diane Labbadia
TITLE: Owner
COMPANY: Pompey's Restaurant
ADDRESS: 52 Rapallo Avenue
Middletown, CT 06457
PHONE: 344-8221

Diane Labbadia, owner of Pompey's Restaurant, is married to a Middletown policeman. Despite this, her major complaints about operating a business in the downtown area involve the lack of police protection, parking issues, and a perception of danger.

Pompey's Restaurant has been located for over thirty years at a Rapallo Avenue site. Diane and her husband bought the restaurant several years ago although Diane is the Permittee and owner/operator of the business. Her father-in-law owns the real estate and she has a reasonably long-term lease for the first floor of the building. Depending on improvements made in the North End, she will either buy the building from her father-in-law or relocate the business to Portland.

Apparently, she serves a mixed market. She characterizes her market as both walk-in trade (local downtown businessmen, politicians, and workers) as well as many customers who drive from Portland, East Haddam, or Middlefield to the restaurant. She characterizes her attraction as outstanding Italian home cooked food at very reasonable prices.

All of Diane's complaints involved parking and access. She was frustrated and angry about the recent Rapallo Avenue road work and the disruption caused her business when the street was rebuilt. She is concerned about the sidewalk repairs adjacent to her front entry. She expressed bitter disappointment with the parking situation as it presently exists. Apparently, customers must park on Main Street and walk down Rapallo Avenue to her restaurant. Because of the perceived dangers found in Middletown, this is an unacceptable walk for most of them. Therefore, her customer base has continued to erode as the North End has deteriorated.

She expressed hostility over certain City actions. For example, it is her perception that welfare is easily obtained in the City of Middletown; that the schools are generally bad; and that the City is "missing the point" on the revitalization efforts proposed for the downtown area. Some of her observations may be misguided. For instance, she reported that it was the Chamber of Commerce that had caused The Gap stores not to locate in downtown Middletown.

She feels that the City needs a plan and a focus which would attract people downtown including a major marketing campaign and promotional strategy. For example, she suggests an Italian Festival similar to

the ones previously held in Hartford's south end. In terms of parking, she feels that policeman are badly needed and that there should be at least one "beat" cop at all times. She is a strong advocate of the beat policeman who has knowledge of the neighborhood.

She would like very much to see the traffic pattern on Green, Ferry and Rapallo Avenue modified. Apparently, she feels that this will have a significantly positive impact upon her business. Financially, she is adequately and reasonably served by Center Bank and had high praise for the Branch Manager, Barbara Simmons. She indicated that she is financing all of her business expenditures from cash flow and has little or no need of borrowing at this time.

In summary, this restaurant can prosper and grow because it has reasonably loyal following, good management, and is debt free. However, there is a real question as to whether this restaurant will continue to prosper and grow at this location given the difficulty of parking and access and the perceptions of a troubled North End neighborhood.

INTERVIEW NUMBER: 64
DATE: 6/25/92
CONTACT: John Muzik

NAME: John E. Muzik
TITLE: President
COMPANY: JEM Wire Products, Inc.
ADDRESS: 50 Walnut Street
Middletown, CT 06457
PHONE: 347-0447

JEM Wire Products, a family-owned and operated business, has been operating from this location for the past eleven years. The firm leases 18,000 square feet of obsolete industrial space in this mill building on a month-to-month basis. Due to space constraints, the owners have decided to expand and to relocate their business.

At this time, the firm is seriously considering a purchase of the former North and Judd property. This property, 40,000 square feet, is considered to be in extremely poor physical condition. In addition, there are significant environmental issues surrounding the property including both above and below ground cleanup.

According to John and his son, a year ago (before the recent election) they met with Mayor Paul Gionfriddo, Betsy Hunt, Ken Roberts, and Dave Hallows from the Department of Economic Development. At that meeting they discussed the purchase of the North and Judd property. As of this time, the Muziks report no action or movement by the State or the City. However, the JEM Company has also not been aggressively pursuing the acquisition of the site.

The company manufactures wire displays and wire forms for a variety of national concerns including Stanley Tool, Panasonic, National Hand Tools, GTE, and Norton Abrasives. Mr. Muzik was formerly an owner and partner in the Royal Display Company which recently relocated from Higganum to Middletown. Mr. Muzik's family is also involved in the ownership and operation of JC Products (another wire forming operation) located in Higganum, Connecticut.

The firm is doing well financially, and reports that despite the economy, sales have continued to grow. The sales force consists of Mr. Muzik and his three sons who all sell on the road. In addition, the company employs manufacturers representatives throughout the Eastern United States who represent the firm and sell the product line. The owners attribute their sales success to the fact that the family is intimately involved in the sales and manufacturing operation.

Financing, almost all done internally, is a non-issue. The company maintains a modest banking relationship with Fleet Bank.

The company would like to pursue the North and Judd acquisition. However, they have very little knowledge of real estate finance or

business financing. Therefore, they would need help with the packaging and presentation to CDA. They will probably need to borrow approximately \$350,000 of real estate financing and another \$200,000 or \$225,000 of working capital.

The company is not defense related nor defense dependent, and has not appeared to suffer from this recent economic downturn. In fact, the owners report that they are working a consistent fifty hour work week throughout the year.

This is an ideal candidate for retention and relocation within the City of Middletown. Note that this firm is a willing user for a former industrial property which is considered obsolete by most contemporary manufacturers. It should also be noted that almost all of the JEM Wire employees walk to work from the neighborhood immediately surrounding the present location.

INTERVIEW NUMBER: 65
DATE: 6/25/92
CONTACT: Fred Jackson

NAME: Frederick L. Jackson
TITLE: President
COMPANY: Jackson Chevrolet Company
ADDRESS: 660 South Main Street
Middletown, CT 06457
PHONE: 346-9655

Jackson Chevrolet started in Middletown in 1939 and relocated to their present site in 1956. The firm occupies almost all of the ten acre site and has an estimated 18,000 - 20,000 square feet of buildings on the property.

The owner is reasonably optimistic about business and notes that his sales have been slowly increasing during the past year. This firm does a predominance of its sales with the retail customer. Additionally, this dealership does over 45% of its retail sales business in the light truck category.

GMAC provides all of the floor planning for the sales operation. The firm is self financed internally and has no borrowings or debt. However, during this recessionary period, the owner reports that he has cut back on spending, increased cash management capacity, and undertaken a strong educational effort to send all of his service and parts personnel to training schools.

The owner reports several items of concern involving his interaction and relationship with the City of Middletown. A recent sewer line which was installed via an easement through his truck parking lot took over sixty days to complete. In return for the easement, Mr. Jackson was paid a lump sum amount of \$3,000. This amount was determined after an appraisal of the property. However, the two-month delay during the installation caused severe sales problems for the dealership because the truck lot was unavailable for use.

The owner also discussed a lawsuit which is presently pending against the City of Middletown (Attorney Carl Fortuna) which alleges that the City is responsible for the flooding of the dealer's automobile parking lot. Apparently, Long Hill Brook floods periodically and overflows into the parking lot of the Chevrolet dealership. The owner has installed shutoff valves in his yard drains but he must have on-staff personnel monitor these shutoffs during any rainstorms.

Mr. Jackson advocated a tax abatement or tax deferral program on new construction similar to those comments made by Bill Ferguson of Mohawk and Mark Goldreich of Rayco. He also suggested that the excessive bureaucratic red tape was harmful to the long term business interests of the City. He provided examples of his recent experiences involving an attempt to rehabilitate an old home and the lengthy delays involved in the permitting process.

The dealership has plans to add a new 10,000 square foot building to the site which would be utilized for new car prep and large parts storage. It might be considered in the City's best interest to provide technical and managerial assistance to the dealership so that this approval could be handled expeditiously.

INTERVIEW NUMBER: 66
DATE: 6/25/92
CONTACT: Charley Frazier

NAME: Charles Frazier
TITLE: Store Manager
COMPANY: Super Stop & Shop
ADDRESS: 400 East Main Street
Middletown, CT 06457
PHONE: 346-0380

The 63,000 square foot Super Stop & Shop recently opened at Russell Square replaces an obsolete store of 27,000 square feet. The older store, opened thirty-five years ago, was considered outdated and much too small for the Greater Middletown marketplace. Charley Frazier has recently opened three new Super Stop & Shops and started his career in the Middletown store in 1957. He is, therefore, intimately familiar with the greater Middletown area and the Middletown marketplace.

Charley's comments are based upon his experience in Middletown and his experience in the greater Middletown community. He considers Middletown to be an average town, blue collar in nature, and marginally successful in revitalizing its downtown Main Street area. The regulatory agents with whom he or his staff deal are always courteous and well mannered.

Stop & Shop believes that the economy has bottomed out and that we are going to have little economic growth for the next two or three years. As a company, Stop & Shop is not anticipating any dramatic growth increases in the economy nor do they consider that there will be further decline in this region. It is his view that the general consumer population is confused and will not begin an active buying mode during the next one to two years

As a result of this economy, Stop & Shop has been able to be more selective with staff recruitment. Of the 275 people who work in the store, approximately 180 come from greater Middletown. At the same time, the company is undertaking much more focused marketing and attempting to segment the regional market according to the Super Stop & Shop location nearest each population center. Finally, a note that store management at the new store, which is more than twice as large as the old store, remains constant.

Charley notes that non-food sales are down and attributes it to the decline in the purchasing power of the local consumer population. In addition he notes that house brand and private label sales are up and that coupons have become an accepted marketing technique.

The manager anticipates several administrative, logistical, and managerial problems during the ongoing construction of the Bradlees Store at this center. He requests that the City continue to assist and help during this construction process. Although, Charley Frazier will not manage the Bradlees Store nor will he be part of

(the construction process, he will be instrumental in acting as liaison during the building process.

INTERVIEW NUMBER: 67
DATE: 6/25/92
CONTACT: Bob Kiely

NAME: Robert G. Kiely
TITLE: President & CEO
COMPANY: Middlesex Hospital
ADDRESS: 28 Crescent Street
Middletown, CT 06457
PHONE: 347-9471

Bob Kiely has been a local resident for about 2 1/2 years. He lives in Madison and commutes daily to Middlesex Hospital.

Bob considers the hospital's mission to be one of service to the entire County and not one of service to Middletown. He has put a great deal of emphasis on this community-wide service during the past two years.

In addition to emphasizing care in county towns, he has also been an aggressive advocate of the TQM philosophy. While he is violently opposed to characterization of this program as TQM, he is frank to admit that the emphasis on quality patient care is based upon TQM principles.

Bob Kiely is actively and enthusiastically involved in the Middletown 2000 Project. As such, he has had an ongoing relationship with Dan Longo, the consultant who is doing community benefit analysis for the group.

During our discussion, we focused on the concept of subsidized housing locations both within Middletown and within the Greater Middlesex County areas. We also discussed at length the possibility and likelihood of developing the Middletown riverfront. Bob is an enthusiastic supporter of the riverfront development, especially south of the sewer treatment facility.

When discussing the possibility of developing a comprehensive plan for downtown development, Bob was candid to point out that frequently an organization needs a crisis to start a reaction. It may be, in his opinion, that no concrete action can emerge from the downtown area without the vitality injected by such a crisis.

INTERVIEW NUMBER: 68
DATE: 6/25/92
CONTACT: Steve Robbins

NAME: Steve Robbins
TITLE: Manager
COMPANY: Caldors
ADDRESS: Washington Plaza
Middletown, CT 06457
PHONE: 347-2416

The interview with Steve Robbins, Store Manager, and Carl Griffon, Merchandise Manager, at Caldors was interesting and reflective of similar interviews at Bradlees and Stop & Shop. Although the store manager is nominally charged with operations, he/she is not given total autonomy for the bottom line profit and loss at the store location. In fact, budgeting, personnel, payroll matters, and merchandise selection are all handled at the headquarters of the parent firm.

This Caldors store, built in 1976, contains 70,000 square feet of selling area. It is considered to be an adequate retail location. Within the chain, the Middletown store is not considered to be a hardship duty posting. This manager was recently transferred to the store (about three months ago) and commutes daily from the town of Preston. Note that this store is in the Eastern Sales District which ranks store sales for this location with store sales from Norwich, Groton, and the New London area.

Caldors marketing emphasis for the 90's is on customer service. While Steve acknowledges that prices for most merchandise are virtually identical to the pricing found at K-Mart, Ames, etc., he says that an awareness of the customers and attention to customer satisfaction make Caldors the number one discount department store operation. Sales trends (generally unchanged year to year) at this store are reflective of those found at other Caldors stores in Rocky Hill or surrounding communities.

The manager requested that senior bus access for shopping be improved. Note that this same comment was received during the interview with Allen Bourne, Manager of the Bradlees department store on South Main Street. Apparently, all of the discount store managers are attempting to attract and capture a significant share of the elderly market.

A recent incident occurred involving the Middletown Department of Health and has created a negative attitude in the minds of the store management. Apparently, a one time steak promotional sale escalated into a confrontation between the Middletown Department of Health and the store management. The Middletown Department of Health demanded that a fee of \$150 be paid in order to permit the food sale. Not only was this fee considered exorbitant by management, but the City staff's attitude exhibited during this incident was distasteful.

Based upon the information supplied by store management, it seems that this confrontation could have been avoided by City staff and that the personnel involved could have been more sensitive to the store management's point of view. However, this is not an attempt to excuse the store from licensing, regulatory permits, or health laws.

INTERVIEW NUMBER: 69
DATE: 6/25/92
CONTACT: Jillian Joyce

NAME: Jillian Joyce
TITLE: Store Manager
COMPANY: Friendly Ice Cream
ADDRESS: 851 Washington Street
Middletown, CT 06457
PHONE: 347-0318

Jillian, Manager of this restaurant for slightly less than one year, comes from a varied background as a food service manager at the Navy Canteen in Groton. There, after ten years of service, she was lured away by a promotion and a job with the Friendly's Ice Cream chain. Jillian lives in Higganum and has had negative experience with the Middletown school system.

This store does, on average, over \$1,000,000 in sales per annum. Friendly's Restaurant chain has an extensive and intensive training program in quality control, undertakes extensive promotions at the corporate level and does periodic "revitalizations". This store is scheduled for a four-day revitalization in October. At that time, the restaurant will close for four days and will be totally refurbished when it re-opens.

Jillian reports that her most significant business problem involves unacceptable help in the Middletown community. Of her fifty person staff, 48 are considered part-time personnel. However, she reports that the quality of both applicants and employees has deteriorated during the past year and a half in the greater Middletown market. She also noted that many (if not most) of her job applicants indicate that their former housing location was New York City. It seems, based upon her review of the job applications, that many people in town have recently moved to Middletown from New York City.

During the past year, this manager has improved sales at this restaurant from 18% below budgeted revenues and sales to 1% below budgeted revenues and sales. This large increase in sales and profitability is attributable to the manager, improved staffing, and marketing by the Friendly's corporation.

Jillian feels that the Health Department in Middletown is extremely uncooperative. Her experience with Navy programs at the submarine base in Groton/New London gave her a wider perspective on this matter. She reports that local enforcement staff seem to be somewhat unreasonable and arbitrary in their decision making.

The manager would be excited and pleased if City officials would come to her restaurant. For example, if the Mayor would come out and have breakfast at her restaurant, it would be considered both good for her career and good for the store.

The manager intends to increase advertising and promotions at Wesleyan University. She is considering advertising in the student newspaper as well as trying to market more directly to the Wesleyan University students. She is very optimistic about business and notes the large improvement in the last five or six months under her management.

Finally, a note about the new diner soon to open across the street. Although she expects the diner to have an initial negative impact on her sales, she feels that in the long run, the diner will only add to her business as that area becomes known as a restaurant district.

INTERVIEW NUMBER: 70
DATE: 6/26/92
CONTACT: Larry Marino

NAME: Larry Marino
TITLE: Owner
COMPANY: S.G. Marino Crane Service, Inc.
ADDRESS: Mill Street
PO Box 246
Middletown, CT 06457
PHONE: 347-0827

Marino Crane, started in 1952, located at their present site in 1964. The company employs a staff of 35 - predominantly teamsters and operating engineers - from their 10,000 square foot facility.

Exclusively a Connecticut based company until the late 1980's, the firm is now expanding on a regional basis. Committed to heavy lift cranes of ± 200 tons (tower, ringer job, and regular) the firm has aggressively pursued businesses throughout New England and the Atlantic seaboard. Presently their customer base includes steel erectors, general contractors, and mechanical contractors. Their niche markets during this recessionary period appear to be prison construction, co-generation plants and bridge repair.

In addition to a changing customer base, niche markets, and expansion into other operating areas the firm also recently acquired a New York City based crane company. This acquisition permits the company to be active in the New York City marketplace which includes greater Long Island. Thus, the firm is servicing the Eastern seaboard and has a substantial position in the New York market.

The company is well financed and capitalized. They have adequate banking relationships with both Fleet and Connecticut National Bank. Note, however, that all of the Fleet and Connecticut National Bank relationships are based upon asset-based lending.

Competition for the firm is found in Cleveland, Ohio and New Jersey.

The largest issue affecting the profitability and operational scope of the firm is transportation. Large cranes require special permits and licensing from the Connecticut State Police. Middletown and the State Police have always been most accommodating and assisted with the permitting process. In addition, the Marino family considers the City to be very responsive and they believe that their relationship with the City is excellent.

The firm recently decided not to bid on the rebuilding of the Los Angeles County Airport. While they were competitive in the bidding process the transportation (barge and water transportation) required to move the cranes from Connecticut to Los Angeles proved the project not economically feasible.

On a final note, Marino would like to be more involved with its home town government. A recent Water Department bill was outstanding for seven or eight months. On other occasions the City has invited out of town crane companies to become involved with City work without even asking Marino to "bid".

INTERVIEW NUMBER: 71
DATE: 6/26/92
CONTACT: Sue Dzialo

NAME: Susan M. Dzialo
TITLE: Secretary/Treasurer
COMPANY: Environmental Science Corporation
ADDRESS: 362 Industrial Park Road
Middletown, CT 06457
PHONE: 632-0600

Environmental Science Corporation, owned by Susan Dzialo and her husband, started in 1978 in rented space on Walnut Street in Middletown. The firm moved to its present location in October of 1988 and purchased 15,000 square feet in the Great River Center Condominium.

The company presently employs 22 full time laboratory technicians. At this time, there is pressure to add three to five additional lab technicians. Clients include large manufacturers within the state, other consulting firms, engineering firms, and on going NPDS monitoring for municipalities and other effluent generators. In addition, the firm does hazardous waste monitoring and testing.

Middletown has proven to be an ideal location for the firm because of ease of access to the local highway system.

Traditionally, the firm has undertaken work on both a competitive bid basis and a negotiated bid basis. In January of 1992, business fell off with year-to-date declines in sales of $\pm 20\%$. In an effort to improve sales, the firm has slashed its prices approximately 40% on all testing and laboratory work. In addition they have increased the service component (i.e. making deliveries at non-customary hours without charge), cut back on the marketing department, improved cash management, approved salary increases of less than previous years, and increased the deductible on all employee's health insurance.

The owners consider the firm to be defense dependent. At this time, approximately 25% of revenues are derived from defense dependent industries such as Pratt & Whitney or Electric Boat. The company is looking into alternatives such as air and radiologic testing which would permit diversification into non defense dependent areas. However, the firm realizes that any manufacturing facility has an extremely long "tail" and that on going testing will be required on these sites for many years.

The firm reports satisfactory banking relationship with Connecticut National Bank. The relationship with Connecticut National Bank is based upon the firm's presently adequate cash flow; a line of credit still outstanding and untouched; and readily available equipment financing as needed. In addition, Ms. Dzialo notes that manufacturers of laboratory equipment typically finance the purchase or arrange alternative leasing provisions.

This firm has benefitted from the last decade of environmental awareness and increasingly difficult environmental remediation programs required by the federal and state governments. During the present business downturn, they find themselves suffering because of an eroding client base and because there is less incentive at the federal and state level to seek strict enforcement of environmental regulations. However, the firm is working aggressively to adapt to this changing business climate through a diversification effort.

INTERVIEW NUMBER: 72
DATE: 6/26/92
CONTACT: Mike McNeil

NAME: Michael W. McNeil
TITLE: Branch Manager
COMPANY: Atlantic Detroit Diesel Allison, Inc.
ADDRESS: 300 Smith Street
PO Box 2781
Middletown, CT 06457
PHONE: 632-0218

This 32,000 square foot service and sales facility for diesel engines, Allison automatic transmissions, and miscellaneous power equipment is headquartered in Lodi, New Jersey. The distributorship, owned by Roger Pensky, has branches in Ronkonkoma, New York, Piscataway, New Jersey, Noank and Middletown, Connecticut. The Noank/Mystic branch is a small sales office of 3,000 square feet.

The firm started in 1976 at this location and was expanded in 1988 and again in 1992. The firm sells Detroit Diesel engines (75% of gross sales), Allison automatic transmissions (20% of gross sales) and miscellaneous items such as Merc Cruiser marine engines (5% of gross sales). The franchise territory includes all of Connecticut and Hamden County, Massachusetts.

The markets for these diesel engines and automatic transmissions are predominantly in the transportation, construction, marine, energy, and power production fields. Each year there are 100,000 heavy duty diesels sold in this country with 80,000 of those sold for highway truck use. Detroit Diesel typically captures 45% - 60% of that national market.

At one time, the firm had one hundred employees and two shifts operating at this location. Presently, they operate one shift and have forty-two full time employees. This economy has caused significant "right sizing" and cash management issues to surface.

The franchise is located in Middletown due to its central location. There is very little interaction with the City of Middletown. The Town Assessor was the last official to visit the property based upon the recollections of the general manager.

Recently, a large tree blocked an adjacent culvert and caused a flood into this property. When calling the Mayor's office, the answer given was "you're in the business, you clean it out". This has caused hard feelings and a perception that the City does not care about this particular business.

Because of the economy, the company reports sales have declined about 25% between 1990 and 1992. Twelve million dollar annual sales in 1990 have been reduced to about nine million in annual sales this

year.

This firm requires little in the way of municipal services. They are virtually self-supporting and cause no pollution of the air or of the environment. They appear to run a quiet, well managed operation without interference with the neighbors. In essence, this is an ideal candidate for the Industrial Park and Middletown should endeavor to improve and maintain relations with the general manager in the near future.

INTERVIEW NUMBER: 73
DATE: 6/26/92
CONTACT: Bob Fusari

NAME: Robert C. Fusari
TITLE: President
COMPANY: Real Estate Service of Connecticut, Inc.
ADDRESS: 55 High Street
Middletown, CT 06457
PHONE: 347-7378

Bob Fusari is an active and vocal member of the Connecticut Homebuilders's Association. As such, and as a Middletown businessman, he was selected to be a participant in the business retention survey. It was felt that his views on the economy and the City of Middletown's economic revival would be insightful and helpful to the Economic Development Commission.

Bob started his business in 1978 in Madison. He moved to Middletown in 1980 and presently occupies 1,200 square feet in an office building at 55 High Street. Bob, and his partners, previously owned this building but sold it several years ago. Bob considers himself to be a successful and talented residential builder.

At this time he is developing two subdivisions in Middletown. The first, Olde Farms, is targeted to the \$350,000 price range. A second, River Bend, is targeted at the \$200,000 homebuyer.

Bob makes a point of noting that his marketplace is central Connecticut within 15 or 20 miles of his office location. He would not, he adamantly insisted, operate out of that market area. He feels that a hands-on intimate knowledge of the marketplace is the key to success in the residential construction business. In the past he has developed land, undertaken some property management, and owned various apartment buildings. However, he considers his strong suit to be the residential building business especially focused on the single family detached homebuyer.

Bob presently maintains acceptable banking relationships with Liberty Bank. He notes that Connecticut National Bank has "dried out" and that Connecticut Bank and Trust has gone out of business. Formerly having done business with New England Savings Bank, he will not do business with them today.

The key to Bob's success in this depressed real estate market is the infusion of capital by joint venture equity partners. Bob informed me that his formula for success involved a joint venture cash partner in every project. He also refuses to sign any notes personally nor will he sign a personal loan guarantee. However, as a category (homebuilders) he finds that he cannot borrow in this present economic environment. Recently, offering a \$2,000,000 treasury note for security he found that he was unable to borrow \$1,900,000 on a fully collateralized basis.

Bob operates on very low leverage for each of his projects. He utilizes an open line of borrowing rather than a construction loan and finds that this is the preference for most of the lenders today. He also gives up a large percentage of each project's profits to the joint venture partners. Therefore, he is the builder-developer of record of a project albeit for a very small portion of the profits.

Bob works with a trust fund in New York City and arranges the joint venture relationships through their offices.

In general, Bob reports that the key to sales is his provision for perfectly detailed model homes. He notes that his model homes are manicured and scrutinized daily. This attention to detail and extremely high quality in the construction process has enabled him to continue building and selling homes during this recession.

He notes that sales closings decreased dramatically in 1992. In 1991 he enjoyed twenty unit sales from May through July. In 1992, he has had less than twenty unit sales from January through the end of June. Therefore, his sales production in 1992 is down approximately 80% from 1991. He feels that the economy has not yet bottomed out and that there will continue to be layoffs at the large institutions.

Finally, Bob notes that there is generally a lack of development expertise within the City of Middletown. Specifically, he said that there was no forum for managing development issues. Rather, the process requires that all development issues be worked through individual bureaucracies. For example, a housing development would have to go through Planning and Zoning, Wetlands, and other departments before receiving all final approvals. Bob would like to see one unified approach and the creation of a strategic planning process for development in the City of Middletown.

INTERVIEW NUMBER: 74
DATE: 6/30/92
CONTACT: John Kapelewski

NAME: John Kapelewski
TITLE: President
COMPANY: Vision Corner
ADDRESS: 460 Main Street
Middletown, CT 06457
PHONE: 347-4664

The Middletown Vision Corner store was the first of the six stores presently operated by the chain. Middletown remains the top sales producer among all six stores. The other stores are located in Rocky Hill, Newington, Hartford, West Hartford, and Vernon. John reports that the reputation and recognition of the firm are most important to the marketing and that the aggressive marketing campaign that they have maintained throughout this recession has been productive.

John Kapelewski owns the building that houses his store. The store opened in 1978 and they bought the building in 1980. They presently lease 3,000 square feet on the first floor but are making plans for an expansion (probably to the rear) within the next six months.

Sales and profits in 1991 and 1992 have been record breaking for the firm. While all store sales were up dramatically the last two years, the Middletown store has continued to be the top producer for the company. The firm has implemented a TQM quality control program in 1991 insisting that all of its managers go through a training program at Central Connecticut State University.

This firm is somewhat defense dependent. Apparently a significant portion of the Vision Corner business is derived from the sale of safety glasses and protective eye wear to defense dependent industries such as Pratt & Whitney and Electric Boat. Reportedly, safety eye wear has been about 15% of gross sales for several years. Recently, however, the need for computer/video display terminal eye wear has begun to overtake the market. John foresees this computer/video display terminal eye wear as becoming a significant component in his business.

The Middletown store serves Portland, other east of the river communities, Meriden, the shoreline areas, as well as Cromwell. Middletown is perceived as a good town with proper services and a good administration. In addition, the Middletown Press is perceived as being a positive vehicle for advertising retail eye wear to the general public.

In order to assist retailers on Main Street and in downtown Middletown the Arriwani Hotel must be removed and the North End environment improved. Any long term benefit for Middletown can only be achieved with proper and stable real estate management in the downtown area. John feels that part of the problem with the

downtown is the inadequacy of the management combined with the difficulties caused by their tenants.

John feels that the North End has improved somewhat with the soup kitchen relocation. However, the key to long term store vitality remains the issue of SRO (single room occupancy) and the type of clientele that this accommodation attracts.

It was interesting to note that John Kapelewski did not raise the issue of parking, traffic and access or security during the interview. He was the only retailer active in the Central Business District who did not cite these specifics as being difficult problems for the business to overcome. In fact, John reported that 1992 was the best year-to-date for that particular operation.

INTERVIEW NUMBER: 75
DATE: 7/31/92
CONTACT: Charlie Cummings

NAME: Charles H. Cummings
TITLE: Director of Real Estate Development
COMPANY: The Flatley Company
ADDRESS: Fifty Braintree Hill Office Park
Braintree, MA 02184-8754
PHONE: (617) 848-2000

Charlie Cummings seems to portray the Flatley Company as expansive, expressive and secure in their position. During the interview process, there were few, if any problems. There were, however, many comments made about the significance of the Flatley Company's name, reputation, and balance sheet.

As originally conceived, Roscommon Park was intended to be marketed to single users of large floor plates. In effect, Flatley had intended to build and lease these buildings for single tenant use. The dramatic change in the real estate market and the dramatic change in the central Connecticut leasing market has forced a significant dislocation to the Flatley plans.

First, the timetable for the Roscommon Park project is beyond redemption. Charlie admitted during the interview that the park could conceivably be built out in the next ten years. However, he was unwilling to commit to even a ten-year life cycle on the development of this project. Frankly, at this time, there is simply no adequate measures available to forecast how long it may take to develop the balance of the park.

Secondly, Flatley's originally defined market of buildings compatible for single users - or for a few large space users - was incompatible with the marketplace in the Middletown area. Flatley has discovered that the Middletown market is more amenable to small space users looking for 1,000 to 5,000 square foot office locations. Thus, Flatley has re-designed their marketing and leasing program to accommodate these users. At this time, the Roscommon building contains over 18 tenants with an average gross lease area of slightly less than 4,000 square feet per tenant. This re-positioning in the market place has increased costs dramatically. First, leasing costs and commissions have increased to both staff and outside brokers. Secondly, the build out requirements necessary to accommodate this re-configuring of the floor plate are very expensive and time consuming. Finally, the tenants have been given more liberal tenant finish allowances than had been anticipated in the initial pro forma.

In addition to these cost and time increases, the general rental rates available in the leasing market have declined significantly. At this time, the average rental rate in the Roscommon building is estimated to be \$16.50 per square foot gross. This equates to a forecast in the original pro forma of \$20.00 - \$25.00 per square

foot which was based on significantly less costly tenant improvement work.

The Flatley Company indicates that the City of Middletown is cooperative, helpful and knowledgeable. They are particularly kind in their comments about the Planning and Zoning staff and the municipal development staff. Additionally, the Mayor is noted as being accessible and helpful when a problem should arise. Finally, they report no undue problems with the Wetlands Agency although that particular agency does tend to be somewhat deliberative in their approach to problem solving.

In general, The Flatley Company would characterize Middletown staff as being willing to "go the extra mile" on a personal level for a particular client.

When asked to comment on the desirability or possibility of working with State CDA, Flatley's response is that they are "masters of their own destiny" and categorically refuse to become involved with any State, municipal or quasi-public financing.

Finally, the State DEP, DOT, STC, etc. are characterized as being helpful but with long lead times and with an excess of bureaucracy. In general, the State is helpful, but bureaucratically inclined.

Flatley views its marketing and sales efforts as being pro-active. They claim to be aggressive and indicate that they will chase tenants both within the greater Middletown area or elsewhere as necessary in order to capture a particular lease.

Flatley views the City of Middletown as having a distinct east-west axis. In the interview, the west side of town is characterized as the better of the two. The east, or older section, is the "coal and iron" portion of the industrial zone. For example, the North End would be construed as being part of this obsolete industrial area. The I-91 corridor/Westfield area would be construed as being more appropriate for clean office and industrial park development.

In general, Flatley is in a holding pattern and is attempting to maintain occupancy at 100% in the Roscommon building. They presently have achieved a 98% occupancy rate, albeit with many small tenants. Note, however, that many of these leases are short term (one to three year leases) and that the turnover in this building will continue to be excessive.

Also, during the interview process, I noticed evidence of deferred maintenance in the grounds and parking lot areas. Certain portions of the parking lot are beginning to break up; grass and weeds are not as carefully trimmed and manicured as they might have been; and the building was suffering from lack of thorough cleaning and maintenance.

INTERVIEW NUMBER: 76
DATE: 7/1/92
CONTACT: Philip H. Parda

NAME: Philip H. Parda
TITLE: President
COMPANY: Plastic Design, Inc.
ADDRESS: 111 Industrial Park Road
Middletown, CT 06457
PHONE: 632-2001

The Company produces custom injection molded parts in a 24,000 square foot facility that has been occupied for one (1) year. The business began in a garage in Higganum and moved to Middletown in 1983. A growth company, sales have increased three successive years. The firm is very image conscious and prides itself on being "squeaky clean". Being within a reasonable driving distance of all customers is important. The firm now employs forty-seven (47) to fifty (50) full-time persons, running three production shifts for five days a week. The employment level will increase dependent upon financing and securing contracts. There are three (3) parts to the Company - production, tool making and engineering/administration. In the past several years, there have been no problems in finding skilled tool makers in the market place. Because tool making is an area that adds value, they may develop an apprenticeship training program.

The Company leases from ABC Tool Company with an option to buy. The lease expires in 1996. The Company has plans to expand in the next five years, both into the 6,000 square foot ABC space and by adding 4,000 - 6,000 square feet on the northwest corner adjacent to the warehouse.

The Company reports an unsatisfactory relationship with their bank. Because of major internal computer problems, the Company comptroller reported a loss which caused a problem with a covenant to a bank loan. They are looking to establish other banking relationships.

All City services and City contacts were described as satisfactory.

DED has been contacted for a loan guarantee possibility. However, the Company wants to refocus their business plans before making application. The Company has utilized the Connecticut Job Service, TQM training through CBIA, is a candidate for NU's economic development assistance rates and Connecticut Innovations financing for their Longhorn Toggle.

Concerning policy recommendations, the owner stressed a need of City and Chamber support when requesting financing for new improvements and products; and tax assistance in developing job

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COMPANY: Plastic Design, Inc.

training programs, due to the cost of such for a small company. Because other states have good incentive programs, any tax breaks would be welcome.

PDI should be contacted immediately regarding energy rates and Connecticut Innovations.

INTERVIEW NUMBER: 77
DATE: 7/12/92
CONTACT: Donald Bidwell

NAME: Donald Bidwell
TITLE: CEO
COMPANY: Rapidprint, Inc.
ADDRESS: 2055 South Main Street
Middletown, CT 06457
PHONE: 346-9283

Rapidprint is the world's largest manufacturer of electro-mechanical time/date stamp machines. The owner reports his Company's customers are dealers who sell and service world-wide. Rapidprint maintains a sales and repair office in Washington, DC. The Company produces 20,000 units per year. The largest customer is the U.S. Government. From a high of seventy-five (75) employees, they now have forty-five (45) full-time persons and anticipate maintaining the at same level. The Company occupies 27,500 square feet on a six (6) acre site and has been there going on twenty (20) years. The property is leased, but the lease will be bought out in 1993. The owner reports plans have been drawn to add 10,000 square feet of floor area within the next five (5) years. The owner also indicated the plans to acquire new capital equipment at a cost of \$100,000. The banking relationship has not changed in the past several years and is considered very satisfactory.

Municipal services are seen as satisfactory (occasionally the water pressure gets a little too low); there are no problems with any City departments.

The owner noted that the Federal export assistance through the U.S. Department of Commerce not very fruitful. They prefer to utilize their own system of going through dealerships. Required by GSA contracts, the Company utilizes the Connecticut Job Service. The Company has also taken advantage of employee training programs through the Chamber, relamping assistance from Northeast Utilities, Federal Small Business Set-Aside programs and Federal contract procurement assistance.

Concerning policy recommendations, the owner believes that in order for Connecticut to be more competitive, there has to be reduction in taxes, medical and fringe benefit costs and costs of State government.

While not a candidate for immediate assistance, Rapidprint should be contacted periodically to determine if assistance will be required in expanding the facility or in dealing with State agencies.

INTERVIEW NUMBER: 78
DATE: 7/17/92
CONTACT: Hugh L. Cox

NAME: Hugh L. Cox
TITLE: CEO
COMPANY: Raymond Engineering, Inc.
ADDRESS: 217 Smith Street
Middletown, CT 06457
PHONE: 632-1000

The Company was founded in 1938 in Berlin and is now owned by Kaman. Its three (3) product lines are memory systems (design, development, manufacturing, primarily for military use), weapons systems (safe arming devices and warhead devices for military use) and Power Dyne torque wrenches (50% military market). Business is down 25% from several years when they had 680 employees at peak level. They now have 450 employees, largely due to military cutbacks. They are undertaking a strong diversification plan; however, there are few commercial uses for safe arming devices. Memory devices do have a commercial use. After the down turn of business, it stabilized in 1992 and expects to be up somewhat in 1993. Because of a government attitude that the military owns the Company, it is difficult for Raymond to develop other business on the side.

The Company occupies a total of 210,000 square feet on twenty-seven (27) acres of owned property. The 11,000 square foot Power Dyne assembly facility is on Middle Street. Because of cutbacks, they have 10% - 20% of excess space. The Company is looking at moving a facility from Colorado Springs to Middletown involved in ceramic coatings. That decision is expected in the third quarter of 1992. If the decision is made to bring in the Company, then there will be need for financial support for the move, capital equipment and marketing studies. This is an item for DED and discussions have begun.

All municipal services were seen as satisfactory. However, it was noted there is a traffic control problem at the entrance to the Raymond parking lot which may require a traffic signal at shift change.

Concerning government programs, the "K-ramics" operation, if moved from Colorado, is a candidate for CDA assistance along with the need for job training. Additionally, because the "K-ramics" operation deals with ceramic coating on metal or plastic parts, ovens are used which may be eligible for NU's economic development assistance rates.

Because of the need to diversify and the pending opportunity to relocate a new business to the Middle Street site, Raymond is a candidate for immediate assistance from the Department of Economic Development and CDA.

INTERVIEW NUMBER: 79
DATE: 7/1/92
CONTACT: David Reier

NAME: David Reier
Steve Bull
TITLE: Partners
COMPANY: Bull Metal Products, Inc.
ADDRESS: 191 Saybrook Road
Middletown, CT 06457
PHONE: 346-2722

Established in Middletown in 1960, the Company produces metal boxes and point of purchase displays. Its customer base is nut and bolt distributors, tool manufacturers and users of metal display racks. The company ships finished products throughout the eastern seaboard with some national catalogue sales. The business climate in last winter was the worse ever in thirty (30) years; however, it is beginning to pick up again. The partners noted that its market is beyond New England, which is helpful. The partners reported they have been unable to raise prices on the product. The rising costs for personal property, real estate, workmen's compensation, health care and insurance are all negative influences. Further, the partners do not believe the State cares about manufacturing, but would prefer to be a service state.

The factory consists of 40,000 square feet, located on seven (7) acres. There is the possibility of expanding on the present site within the next ten (10) years. The Company has not required financing for well over a decade and has a very unsatisfactory relationship with its bank ("they don't care"). While operating on a cash basis, the day-to-day cash flow has been difficult and FDIC is making banking matters more difficult.

The Company has not been directly affected by the credit crunch. However, some customers were highly leveraged and have gone to Chapter 11 bankruptcy.

Regarding municipal services, dissatisfaction was expressed with the level of street maintenance. City contact and those with DEP were described as satisfactory; however, OSHA was described as "awful". A small company with limited resources, they do not have an attorney or compliance officer on staff to deal with Federal inspections.

The partners have utilized State job training programs and have hired personnel through local social service agencies. Federal contract procurement assistance is occasionally used.

The owners are interested in receiving information on Northeast Utilities Economic Development Assistance Rates. Regarding their policy recommendations, the partners feel the Connecticut

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COMPANY: Bull Metal Products, Inc.

personal property tax causes the State not to be competitive with other states and that environmental regulations ought not be enacted without discussing the impact with the manufacturers first. Unemployed persons in the City need to be occupied.

Bull Metal is a potential user of Northeast Utilities assistance and should be contacted periodically to determine if expansion is contemplated or other public assistance required.

INTERVIEW NUMBER: 80
DATE: 7/17/92
CONTACT: John J. Formica, Jr.

NAME: John J. ("Duke") Formica, Jr.
TITLE: President
COMPANY: Hillside Industries, Inc.
ADDRESS: 1385 Newfield Street
Middletown, CT 06457
PHONE: 632-1116

Hillside Industries is engaged in custom metal fabrication for commercial buildings throughout New England, New York and New Jersey. Business was reported slow at the beginning of 1992, but now, they are "busier than ever". With twenty-six (26) full-time and one (1) part-time employee, the owner looks to bringing back two (2) previously laid-off workers. The company occupies 34,000 square feet on thirteen and one-half (13½) acres of owned property. The owner plans to expand by 2,400 square feet within the next five (5) years to add on a angle and beam roll and a painting operation. The owner operates on a cash flow basis and characterizes his banking relationships as unchanged and very satisfactory, although, money has been slow in coming in from customers. All municipal services and contacts with City departments are described as satisfactory.

The owner reports doing work for the Connecticut Department of Transportation, primarily in providing bridge systems, but noted that the State's standards are ridiculously high and inspectors are unreasonable. Therefore, price reflects problems encountered. The owner has utilized, with some success, apprenticeship training programs through the State of Connecticut and has worked with Northeast Utilities in energy savings.

Concerning policy recommendations, the owner suggested tax relief and a scrutiny of the State construction specifications since this drives up the cost of DOT work.

While the owner did not indicate the need for financial assistance in expansion, this is one to stay in periodic contact with.

INTERVIEW NUMBER: 81
DATE: 6/24/92
CONTACT: Amanda Chapman

NAME: Amanda Chapman
TITLE: Owner
COMPANY: Harriet Amanda Chapman
ADDRESS: 331 East Main Street
Middletown, CT 06457
PHONE: 347-9022

The business is a retail operation dealing in upscale imported items, located in its present facility since 1979. Only two (2) employees, they increase to four and five during the Holiday season and the mid-year sale. Occupying 3,000 square feet, the retail area is 1,500 square feet and on a five (5) year lease. Should the market improve, the owner wishes to expand into Scandinavian foods. The owner does very little advertising, relying on "word-of-mouth", but cited problems in the City including high taxes, the unaffordability of downtown space, the unavailability of downtown parking and the lack of cultural activities in the downtown.

The owner's current banking relationship is characterized as unsatisfactory. There is no personal contact; a loan is being serviced from California.

Municipal services are satisfactory, except in the Arts which are considered lacking. The owner does not have any contact with City departments or State agencies. The owner suggests that the downtown be redeveloped with a mall and small shops to take advantage of the college atmosphere.

INTERVIEW NUMBER: 82
DATE: 7/28/92
CONTACT: James D. O'Connor

NAME: James D. O'Connor
TITLE: President
COMPANY: The Northeast Company
ADDRESS: 362 Industrial Park Road
Middletown, CT 06457
PHONE: 635-2904

Started in 1962 in Middlefield and located in the Industrial Park since 1988, the Northeast Company provides paperwork management services, warehousing and distribution, inventory control and corporate design/art work services for a wide range of clients, primarily in the Boston and New York corridor. Some of their products are exported without government involvement. They are technology focused with extensive use of the CAD system in designing paperwork products. Now with eleven (11) full time and two (2) part time employees, they anticipate an increase over the next several years, particularly in the area of graphic artists.

The Northeast Company occupies 13,500 square feet in the Great River Center industrial condominium and plans to expand the next year, ideally, into an additional 10,000 square feet of adjoining vacant space.

The Northeast Company considers its competition "everybody and nobody" since they provide one-stop paper management services for many health care and growth companies. Over the years, the Company has financed its own growth, operating on a cash basis and has not had any financial difficulties. Its banking relationship has not changed and is considered satisfactory. While experiencing some business loss due to the credit crunch, these losses were overcome by "hustling" new business. All municipal services were deemed to be satisfactory. City contact is primarily with Finance, Tax Office, Water & Sewer and Purchasing Departments as clients or customers to the business.

The Northeast Company considered financial assistance through CDA, but found it "too difficult". No other programs have been pursued, however, interest was expressed in a small business set-aside program with the State of Connecticut and assistance in Federal contract procurement services.

In general, the owner dislikes dealing with purchasing departments since they view themselves as problem solvers and, therefore, prefer to deal with the decision makers.

While not providing any printing services on the premises, the Northeast Company contracts with over twenty (20) small printing job shops throughout the area.

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COMPANY: The Northeast Company

To improve the business climate, the owner strongly urged the City and State to get involved with the Chamber of Commerce networking process and for the City to make a greater commitment to local business. He said the business community needs to feel the positive "vibes" from both the City and State.

INTERVIEW NUMBER: 83
DATE: 6/23/92
CONTACT: Gerard Weitzman

NAME: Gerard Weitzman
TITLE: President
COMPANY: Pelton's Drug Store
ADDRESS: 100 Main Street
Middletown, CT 06457
PHONE: 346-8601

With two (2) stores serving 10,000 customers per week, Pelton's is primarily a retail operation with pharmacy services to some institutions including nursing homes and State mental facilities. The emergence of the super drug discounters is of concern, since they tend to locate in malls with large parking areas. Because of the perception of a unsafe downtown, the owner feels a competitive disadvantage.

The owner employs thirty-six (36) full time and thirty-five (35) part time persons in Middletown, covering three shifts from 8:00 a.m. to 10:00 p.m. 14,200 square feet of floor area is occupied on less than one (1) acre of owned property.

The owner has plans to expand by a minimum of 10,000 square feet in the next five (5) years and is looking for new sites in the community for an additional outlet. Pelton's financial relationships have not changed and are considered satisfactory.

Despite being a good financial risk, the owner feels there are too many hoops through bank financing and is currently looking at financing expansion through vendors. Many of the available programs come with higher interest rates and, therefore, are impractical.

Generally, municipal services are considered satisfactory with some problems noted in the areas of sewage and sanitation (major storm back-ups), trash removal (the need for flexibility on cardboard pick-ups) and public parking (need more parking areas - Pelton's now rents spaces from the Press).

The present facility, now fifteen (15) years old was financed through SBA. The owner is interested in government programs at competitive rates for expansion, believing that growth and survival are intricately tied. He would also like information on the small business set-aside program. The owner cited: the desire to pursue the Armory project; the need for tax abatement; the need for interest-free or low interest loans for business expansion; the need for increased security in the downtown as it relates to the image of the Central Business District; and, the City should maintain a strong stance in eliminating drug traffic in the City by supporting the Middletown Police Department.

In short, Pelton's is a candidate for expansion and will need government assistance programs to do so.

INTERVIEW NUMBER: 84
DATE: (By mail)
CONTACT: Joseph Ferrero

NAME: Joseph Ferrero
TITLE: General Manager
COMPANY: NAPA Auto Parts
ADDRESS: 1260 Newfield Street
Middletown, CT 06457
PHONE: 632-2500

NAPA is a distributorship to NAPA Auto Part stores in Connecticut, Massachusetts and Rhode Island. The corporate headquarters is in Atlanta, Georgia. Employing seventy-five (75) full-time and twenty-five (25) part-time individuals, the Company anticipates maintaining the same employment level. The facility measures 92,620 square feet on a ten (10) acre Company owned site. The manager reports no difficulty in financing over the past two years; however, noting the need to access short-term and long-term cash for growth and, further, keeping existing customers viable. It was noted that the volume of business has decreased somewhat in the past several years; however, the Company is now servicing other types of markets.

Concerning municipal services, only trash removal and personal property taxes were noted as negatives. If given to do over again, the Company would not locate in Middletown because the site is not central to its trading area. There are no contacts with Federal and State agencies, none are anticipated. Regarding policy recommendations, the Company advocates making working capital available for small business (their customers) and a reduction in the mil rate on personal property. The State sales tax is also viewed as a problem.

INTERVIEW NUMBER: 85
DATE: 6/30/92
CONTACT: Joseph Shipshack

NAME: Joseph Shipshack
TITLE: Manager
COMPANY: Waldbaum's
ADDRESS: 820 Washington Street
Middletown, CT 06457
PHONE: 347-5378

Waldbaum's is a supermarket of some 55,000 square feet principally serving Middletown with some customers from Portland and the Wesleyan community. The manager had only been in the Middletown store for three months. The opening of the Super Stop & Shop caused a serious drop in business over the past two months. From a low of \$40,000 lost business per week, there has been some rebound. It is the manager's desire to recoup half of the lost business. Waldbaum's is now going head to head with Stop & Shop in offering similar coupons and specials through circulars.

The Metro Square Waldbaum's has also lost some business but not to the extent as Washington Street.

The Washington Street facility was opened in 1982. They employ twenty-six (26) full-time employees and fifty-five (55) part-time over three shifts. There will be a decrease in employees as a result of the loss of sales. That decrease will effect full-time employees. The site is leased by Waldbaum's; leasing information is not available locally. Plans for remodeling the building over the next five years are being discussed. Waldbaum's operates on a cash basis through A & P, its mother company.

Municipal services were seen as all satisfactory except for sewage and sanitation. (Apparently there is a storm sewer problem causing some flooding in the store.

The most recent contact with the State has been through the Department of Weights and Measures wherein a problem was left from the previous manager; he was impressed by the fairness of the State in working through this situation.

The manager reported utilizing manpower and job training programs through the Private Industry Council; CAGM is a source of employees.

Pending construction on Washington Street could help Waldbaum's by keeping the Westfield/Newfield residents on the west side of town. There is a constant flow of City and State inspectors in the store; it is hard to manage a store when constantly shepherding inspectors. Many of the City and State inspections are redundant.

INTERVIEW NUMBER: 86
DATE: 6/30/92
CONTACT: Paul Schukoske

NAME: Paul Schukoske
TITLE: Owner
COMPANY: Paul's Auto Body
ADDRESS: 1582 Saybrook Road
Middletown, CT 06457
PHONE: 345-2615

The owner of a body shop, Mr. Schukoske does automotive repair work for the Middletown/Middlefield/Durham/Haddam/Portland area. Three consecutive years of less than normal winter precipitation has resulted in less accident work. Added to that, larger deductibles on insurance have left many persons with less expendable income. He felt that smaller shops, like his, will have to specialize in the 1990's in the areas of restoration, customizing or expanded mechanical repair.

The owner felt the City should be vigorous in its regulations of unlicensed shops and in the enforcement of Zoning Regulations. Only licensed body shops should be in the accident rotation since the non-body shop towers on the rotation list are brokering jobs to receive a percentage of the work. Presently employing four (4) full time persons, the owner wishes to get back to five (5) or six (6) employees.

The business is located along Saybrook Road near the Haddam town line on two (2) acres of land. The shop occupies 5,000 square feet. He plans some improvements within the next several years including new paving, a new office and new roofing. The primary banking relationship has not changed in the last several years; it is satisfactory. The down valuing of real estate has hurt his debt/equity ratio without borrowing any additional funds.

Generally, municipal services were seen as satisfactory except in the area of street maintenance and planning and zoning. Saybrook Road, particularly the shoulders, are in serious condition. Concerning zoning, there are unlicensed body shops.

As expected, a body shop deals extensively with the State Motor Vehicle Department; there are no problems. The owner has not sought any financial assistance or employee training assistance and concluded by suggesting: the towing rotation include only licensed body shops; the State remove the sales tax from labor to make repair work more affordable; and, the City to attend to the neatness of City streets in order to make the City more attractive.

INTERVIEW NUMBER: 87
DATE: 6/26/92
CONTACT: Richard King

NAME: Richard King
TITLE: Owner
COMPANY: Master Industrial Supply, Inc.
ADDRESS: 606 Main Street
Middletown, CT 06457
PHONE: 346-7771

The business serves the State, towns, utility companies and some contractors throughout Connecticut. The customer base for big machine products expands throughout New England and into New York State. The primary competition comes from the Greater Hartford area. The prognosis for business is improving, however, the owner cited his continuing real estate problems. The business could be located anywhere, but is only in Middletown now because of real estate problems having to do with the apartment building's normal eight (8) or nine (9) vacancies. He cited difficulty in finding qualified tenants and in leasing in the North End due to adverse social influences.

Master Supply is primarily a retail operation specializing in woodworking machinery and contractor supplies. They employ five (5) full time and one (1) part time employee. The property is owner occupied with 6,950 square feet of business space plus apartments on three-quarters (3/4) of an acre of land.

The owner said he would leave Middletown only if the real estate problems do not improve noting declining sales and high property taxes. Tax relief could assist him through this difficult period.

Banking relationships are satisfactory. While not defense dependent, the overall banking and credit "crunch" has a significant impact on business.

In the area of municipal services, two problem areas were identified - Police protection and public parking. There are no walking patrol on the second and third shifts; Community Health Center employees park all day in front of his establishment. If he were to do it all over again, he would not choose Middletown.

While the owner sells supplies to various City departments, including the Board of Education, Public Works, Water & Sewer and the Fire Department, he noted that the Purchasing Department sends too much business out of town. Through the Central Purchasing Division of the State of Connecticut, he has a very satisfactory relationship with the State of Connecticut.

He asked for information concerning CDA and SBA noting that a competitor recently got a \$1.0 Million Dollar loan from SBA. He is not interested in employee training or set-aside programs.

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COMPANY: Master Industrial Supply

The owner cited the need for increasing the downtown tax base and providing incentives for other businesses to locate in the North End. Not one to publicly cite social problems, he did note that the Soup Kitchen was a deterrent to his business and felt that the hotel, if acquired by the City, should not be used for housing, but rather for public offices. A better residential climate should be created in the North End.

The owner felt the City should make a commitment to provide a Police Station in the North End; every Monday morning drug needles are scattered about his back yard.

Managing an apartment building is time consuming; it takes three to four months to evict a non-paying tenant and costs approximately \$700 for each eviction, not including the lost rent. He asked for referrals from the Middletown Housing Authority (phone call made to Tom Gionfriddo immediately following interview - Housing Authority will include Master Supply on referral list).

Even though business is starting to turn around, taxes now exceed \$30,000 a year. He would like to work out an arrangement with the Tax Collector to get caught up. Most problems stem from the condition of the North End - physically and socially. He would be willing to invest more in the North End if, in fact, it turned around.

INTERVIEW NUMBER: 88
DATE: 6/23/92
CONTACT: William McCann

NAME: William McCann
TITLE: Owner
COMPANY: Best Cleaners
ADDRESS: 522 South Main Street
Middletown, CT 06457
PHONE: 347-9449

Best Cleaners provides dry cleaning, laundry and tailoring services at eleven (11) locations throughout the Greater Hartford area with headquarters at 522 South Main Street, Middletown. Throughout the system, there are ninety (90) full-time and forty (40) part-time employees operating two shifts. The South Main Street site consists of 4,000 square feet on three quarters (3/4) of an acre on Company owned property. There are no plans to expand or move at either Middletown location.

The owner felt that zoning is a definite influence upon his business activity; the more upscale the residential area, the greater the cleaning business. The white collar recession has adversely impacted the dry cleaning business.

The owner felt the Government, at all levels, was too oppressive and regulations should be simplified. The largest complaint was lodged against EPA and OSHA inspectors who regularly inspect the premises and issue fines.

Regarding Government business assistance, the owner felt that loan programs through CDA or the Small Business Administration require too much paperwork. Similarly, he expressed no success with manpower and job training programs. All training for the Company's employees are done in a three (3) day training course and on-the-job training.

The classic profile of a dry cleaner customer is a 25 to 54 year old in a two earner family with an income of \$30,000 or more.

The owner felt that more parking should be provided on Main Street and that zoning should provide more upscaled living units.

INTERVIEW NUMBER: 89
DATE: 6/19/92
CONTACT: Martin J. Smith

NAME: Martin J. Smith
TITLE: Vice President
COMPANY: Safeway Disposal Systems, Inc.
ADDRESS: 90 Industrial Park Road
Middletown, CT 06457
PHONE: 632-0294

Safeway serves 2,700 customers ranging from small medical offices to full size hospitals in the hazardous waste business. Its market is Connecticut, New York, Massachusetts and Rhode Island, but is capable of expanding throughout all New England. Additionally, microwave units are being established in Buffalo, New York and Orlando, Florida.

While the potential is present for significant expansion, the Company feels harassed by Westfield residents, which has caused a loss of customers due to lack of State approvals and a "chilling" effect at the State and local levels. The owner noted that significant purchases of corrugated boxes are made from Stone Container in Portland for which they must pay a State sales tax. 85% of Safeway's customers are non-profits. Safeway's competition in Massachusetts does not pay a state sales tax; therefore, Safeway is not as competitive. Because of the harassment issue in Middletown, they would not seek to expand in the City.

Safeway employs 50+ full-time persons running on two twelve hour shifts. Because business is growing, they see an increase in employment, particularly in the mechanical trades. The primary growth areas are out of State; however, training would occur in Middletown. Presently, Safeway occupies 40,000 square feet on a six (6) acre parcel with a fifty (50) year lease. Because of the relationship with Dainty Rubbish, there is the possibility of expanding into the Dainty space should Dainty Rubbish relocate elsewhere in Middletown. In order to stay competitive and in compliance with ever-evolving regulations, the Company plans on spending one-quarter million (\$250,000) dollars this year on capital improvements. The Company is also planning on two microwave units out of state at a cost of \$650,000 each. The company reports difficulty in obtaining financing over the past two years in all facets of their operation and said their banking relationship could be better, it is described as a constant battle.

Safeway has applied to CDA within the past several years, without success, feeling they were not a "politically correct" industry. Municipal services were described as satisfactory, but if they had to do it over again, would select a more industrially-minded area,

Page 2. INTERVIEW NUMBER: 89
COMPANY: Safeway Disposal Systems, Inc.

despite the superior locational advantages of the I-91 area. Safeway also feels that the City should play an "advocacy" role for their business, particularly through the Health Department. Safeway deals extensively with DEP for permits and complains that it takes one and one-half (1½) years for a typical permit (in Florida, a microwave unit permit took sixty (60) days and was done over the phone). The experience with DEP has been characterized as "terrible". There is a lack of response time and DEP doesn't want to deal with the issues. Connecticut is a "horrible" state to do business in. There are also problems with workers' compensation and unemployment compensation. The Department of Revenue Services has also been identified as a problem area. Despite the problems, Safeway is a candidate for: new product financing through Connecticut Innovations, Inc. for their unique use of new technology; and, non-traditional financing for industrial uses. Safeway feels that Middletown should adopt a more pro-business environment through public education and the State should be more responsive, pro-business and approve permits more quickly. Finally, the sales tax seen as a major problem since it increases Safeway's costs by 6%.

INTERVIEW NUMBER: 90
DATE: 6/19/92
CONTACT: Shane McCarty

NAME: Shane McCarty
TITLE: President
COMPANY: Hazen's Office Interiors
ADDRESS: 299 Industrial Park Road
Middletown, CT 06457
PHONE: 632-0200

The Company has been in business for 147 years and at its present address since 1982. The Company also owns dealerships in New London, Connecticut and West Palm Beach, Florida and a warehouse in East Berlin, Connecticut.

Sales "bottomed" in 1989 but have been growing steadily since then, largely due to the owners' ability to target growth industries for sales and installation of office systems. The keys to their success are quality and service. Hazen's, employs thirty-eight (38) full-time and some part-time persons, as needed. Growth to five (5) to six (6) more employees is projected through the next fifteen (15) months.

While not having any difficulties in obtaining financing, banking relationships have changed and have become impersonal. Large projects are financed through a major vendor.

Defense dependency has adversely affected the New London market.

Hazen's has no immediate problems, but is a strong supporter of strengthening the local economy for more jobs and taxes. They would like to do more business, particularly with larger local firms. There are no problems with the City of Middletown or any of its departments, but note that State revenue service audits are time consuming and disruptive to staff operations. The need for affordable housing in Middletown was noted.

INTERVIEW NUMBER: 91
DATE: 6/18/92
CONTACT: Michael Armetta

NAME: Michael Armetta
TITLE: Vice President
COMPANY: Dainty Rubbish Services, Inc.
ADDRESS: 90 Industrial Park Road
Middletown, CT 06457
PHONE: 632-0666

Dainty Rubbish serves a State-wide market while headquartered on Industrial Park Road with a landfill on Newfield Street, Middletown, and a site in Lisbon, Connecticut. The Company established itself in Middletown in 1976, now employing thirty-five (35) full-time persons. With development of the Lisbon facility, there will be a need for some additional laborers and truck drivers. Dainty shares a portion of the six (6) acre site with Safeway Disposal Systems. Plans are being developed to move the 50,000 square foot operation to the Newfield Street site should Safeway determine their expansion would allow full occupancy of the Industrial Park Road property.

Financing is not a problem, but the owner notes the "old friendly banker" to be a thing of the past. Their banking relationship is somewhat unsatisfactory. While not defense dependent, any effect on the economy effects the trash disposal business through a downturn in production. All municipal services and local contacts are described as satisfactory; however, noting that the P & Z process is somewhat "sticky".

While not needing immediate assistance, Dainty should be contacted periodically to determine when they may be moving to Newfield Street, and if they need assistance in securing permits or financing for such a move.

INTERVIEW NUMBER: 92
DATE: 6/22/92
CONTACT: Thomas E. Coughlin

NAME: Thomas E. Coughlin
TITLE: President
COMPANY: Coughlin & Coughlin, Inc.
ADDRESS: 158 Broad Street
Middletown, CT 06457
PHONE: 347-4481

Since its founding in 1871, the Company has dropped or spun off livery services, embalming, tinsmithing, plumbing, travel services and insurance to evolve into a business dealing in property management and the management of real estate partnerships. Half of the Company's business is in Connecticut; the other half is out of state, including foreign locations. There are thirteen (13) full-time employees in a 3,000 square foot facility occupied by them for seventeen or eighteen years. There are no plans to change the employee level. Banking relationships have changed somewhat. The Company maintains primary relationships with two banks, one satisfactory and the other, unsatisfactory. All municipal services and contacts were satisfactory. The firm does not use any government business assistance programs. A strong supporter of the Chamber of Commerce, the owner suggests the use of more "hype" for the City.

The firm is fairly elastic in adjusting to the economy. For example, the firm dropped residential sales two years ago, but should the economy reverse they would pursue that business again. No assistance was requested or is anticipated from the City or State.

INTERVIEW NUMBER: 93
DATE: 6/22/92
CONTACT: Howard McAuliffe

NAME: Howard McAuliffe
TITLE: President
COMPANY: McAuliffe Communications Systems
ADDRESS: 15 Industrial Park Place
Middletown, CT 06457
PHONE: 632-2678

The owner selected his present site in order to increase the customer base in the northern Middlesex County and Hartford area. Because the Company is also a retail operation, the present location doesn't provide the visibility desired, and the owner feels he should have gone to somewhere like Cromwell. The Company has an outlet in Waterford, Connecticut and will be expanding in Florida. The owner's largest competition comes as a result of direct sales from his prime supplier of communications equipment (Motorola). The Company now has seventeen (17) full-time employees, plus three (3) part-time persons. Ten (10) years ago, there were twenty-five (25) full-time employees. The owner projects maintaining the same level.

The owner is critical of the City's purchasing attitude, feeling that loyalty should be to the vendor for Motorola systems and not directly to Motorola. While the State is viewed as a good customer, municipal business is more difficult. The owner has been trying to run on a cash basis, notes that his primary banking relationship has changed, and considers it unsatisfactory. While not defense dependent in Middletown, the Waterford branch was heavily impacted by the decrease in defense spending.

While most municipal services were satisfactory, dissatisfaction was expressed with fire protection (should consolidate in to one fire district), Planning & Zoning (zoning amendments restrict almost all businesses in the area) and public parking (the lack thereof in the downtown). He also noted that students applying for jobs cannot spell, write legibly or read. Vinal Technical School is a good source of employment. Problems were noted with the Police Department; relationships with the Fire Department, Public Works and Board of Education are very satisfactory. The Company has excellent relationships with numerous Federal and State agencies as well, and has utilized the small business set-aside program with the State of Connecticut.

Regarding long term improvements, the owner sees: a role for educational facilities in attracting new industry to the Middletown area; the railroad from Saybrook to Hartford for long term passenger and freight service; greater use of the river for shipping and recreational uses; and, hauling refuse from Middletown to Hartford by rail. There is a shortage of two-way radio communications technicians in the Northeast which causes severe difficulties in getting and keeping personnel.

INTERVIEW NUMBER: 94
DATE: 6/2292
CONTACT: Robert Byrne

NAME: Robert Byrne
TITLE: President
COMPANY: Connecticut Rental Center, Inc.
ADDRESS: 30 deKoven Drive
Middletown, CT 06457
PHONE: 347-4688

The Company provides rentals to three (3) primary markets - contractors, homeowners and parties. The contractor market is within a ten (10) mile radius of Middletown and down significantly from the late 1980's. Homeowners' market is down, but has stabilized to serve the ten mile radius. Party rentals are State-wide and have been holding consistently. The Company has a second location in North Branford and is gradually moving into the Fairfield County market.

The Company employs twelve (12) full-time and six (6) part-time persons, down three (3) or (4) from the late 1980's. If the contractor rental market improves, there will be a slight increase in employees, otherwise, employment level will remain about the same.

Now occupying 11,000 square feet on two and one-half (2½) acres, the owner anticipates increasing by 9,000 square feet within the next five (5) years. The Company has been working on a cash basis, has not required financing and has not reported a change in the banking relationships, described as satisfactory. While having accounts at one large non-local bank and one local bank, the owner cited the importance of locally-based banks surviving. The business has no direct dependency upon the defense industry; indirectly, customers have less expendable income. All municipal functions and contacts are satisfactory. The only problem at the State level is clarifying State regulations as they apply to the rental of equipment where admissions are charged.

Regarding recommendations to improve the business climate, the owner offered the following: through public relations, improve the image of the City and State; need to diversify away from defense with new business incentive programs; the cost of medical insurance and workmen's compensation is a disincentive to locate in Connecticut; and, the State, through its Legislature, has to get its act together.

This Company does not need any immediate help. However, the City should stay in contact regarding future expansion plans and any role the City and/or State may play.

INTERVIEW NUMBER: 95
DATE: 6/23/92
CONTACT: Werner Mueller

NAME: Werner Mueller
TITLE: President
COMPANY: Mueller Trade Bindery Corp.
ADDRESS: 87 Industrial Park Road
Middletown, CT 06457
PHONE: 632-2429

The company serves printers in the New England area. Because the printing industry is down, the business is down. Many printers in Connecticut are losing to those in the south, mid-west and Japan. The owner cited his quality as his competitive edge.

Begun in 1970 in Middletown, the business has been at the present location since 1976. There are forty-eight (48) full-time and one (1) part-time employees. The company has never laid off an employee. New employees are normally gained through family relationships. The company occupies 33,000 square feet of floor area on nearly five (5) acres of company owned property with no plans to expand. Financing for equipment and working capital has not been a problem. Banking relationships have changed due to turn-over of personnel within the bank. The owner utilized the Connecticut Development Authority (CDA) when constructing the present building. They have not sought any government assistance since then. The owner feels that Connecticut should encourage more large corporations to locate in the State. He noted that many large printing operations have gotten bigger and do their own bindery process, except for quality work, for which Mueller takes pride. At the present time, no assistance is requested or needed for this company.

INTERVIEW NUMBER: 96
DATE: 7/8/92
CONTACT: Bernadette Pattavina

NAME:	Bernadette Pattavina	Patricia Williams
TITLE:	Branch Manager	Business Development Officer
COMPANY:	New Haven Savings Bank	New Haven Savings Bank
ADDRESS:	15 Ward Street Middletown, CT 06457	195 Church Street New Haven, CT 06510
PHONE:	346-6651	789-2651

The New Haven Savings Bank is a strong, steadily growing financial institution which is trying to create a greater presence in Middlesex County. It offers, as well as the usual services of a savings bank, a range of personal loans and mortgages, commercial mortgages and business loans, investment brokerage services, and personal estate planning and trust services. Its presence in the south end of Middletown comes by virtue of their purchase of the Jefferson Federal Savings Bank.

Both Ms. Pattavina and Ms. Williams feel their location is unfortunate; and find it very hard to compete against the downtown local and statewide banks; especially since their name is no longer "location neutral". They feel their services are strong and very competitive, but see realtors steering their mortgage business to local banks. They do not have the flexibility to move either downtown or near the new Stop & Shop because of their lease.

The Manager is very concerned about the area, which has deteriorated since Stop & Shop moved; and feels it may get worse when Bradlees goes. It has become a "hangout" for youths with nothing to do, there is junk all over the place, and businesses nearby have been subject to vandalism. Additionally, the City projects a poor image in this area by flagrant displays of "goofing off" at local restaurants.

Their goals are to create greater awareness of their bank and services through the Chamber and personal visits; and their suggestions for the City include development of the waterfront on a moderate scale; improving the quality of retail merchandise sold downtown; and helping to find viable occupants of the old Stop & Shop/Bradlees buildings quickly.

They were cited for a successful first-time homebuyer program in a publication of the Federal Home Loan Bank of Boston. Since the City's Housing Partnership is looking for a financial partner for their affordable housing initiatives, both parties may benefit from a joint venture. The City would have access to the professional financial services the MHP needs; and the Bank would gain more visibility by working with the City.

INTERVIEW NUMBER: 97
DATE: 6/25/92
CONTACT: Dorothea Cecchini

NAME: Dorothea Cecchini
William Cecchini
TITLE: Owners
COMPANY: Monte Green Inn, Inc.
ADDRESS: 1300 South Main Street
Middletown, CT 06457
PHONE: 347-7241

The owners report very difficult business conditions over the past several years in their restaurant and eighteen (18) room lodging facility. The customer base has been reduced to, mostly, a businessman clientele which, too, has been decreasing. Special events, like May and June graduation parties Pratt & Whitney retirements, have been positives in a "down" economy. Due to the lack of business, the owners seem to be weighing new directions. They have recently participated in a "two-for-one" dinner club, embarked upon new advertising and are rethinking the permitted attire for dinner, since the formal dining area has always catered to a more "dress-up" clientele.

The owners feel a lack of support from the City and Chamber. The move of Stop & Shop from South Main Street has diminished business activity in the area. The owners claim that the south end has never been included in the Middletown business community. With ten (10) full-time and three (3) to five (5) part-time employees, the Monte Green has decreased its employment level in the past year and anticipates maintaining the same skeletal staff. The motel facility is 24,000 square feet and the restaurant, 5,500 square feet, on a three (3) acre site. The business has been in that location for sixty (60) years.

Financing is the major problem. Banking relationships have changed and are characterized as unsatisfactory. Working capital loans have been placed on the mortgage. Loans are now on the basis of revenue and not on real estate. The owners claim that the local bankers are not friendly, since they don't have the freedom to make decisions.

The owners are unsure of their market, what their clients want and cite unpredictable eating habits. It appears that the owners are struggling with a question of changing their image and, if so, how to do it in order to be competitive. Other problems cited by the owners were OSHA requirements (well intentioned, but not practical), the State's freon law (forcing the purchase of new refrigeration equipment), and the upward garbage and recycling costs.

Page 2. INTERVIEW NO.: 97
COMPANY: Monte Green Inn, Inc.

The biggest problem seems to be the need for cash flow through unsecured business loans at decent rates and the feeling that the Monte Green is not an integral part of the Middletown business community. Finally, the State room tax of 12% should be adjusted downward since it prevents the owners from dropping the room price in order to be competitive.

INTERVIEW NUMBER: 98
DATE: 6/25/92
CONTACT: David Shulman

NAME: David Shulman
TITLE: President
COMPANY: Suburban Stationers, Inc.
ADDRESS: 16 Stack Street
Middletown, CT 06457
PHONE: 347-9651

Begun thirteen (13) years ago in East Hampton, the Company moved to Middletown in 1983. Now with four (4) stores (East Hampton, Cromwell and two (2) in Middletown), 60% of its sales are to offices, while 40% is retail. Only the Stack Street site is owned; all others are leased.

The owner is contemplating a move from Metro Square to Main Street when the 1993 lease expires. That move may allow for an increase of employees, otherwise, the level will remain at twenty-five (25) full-time and ten (10) part-time throughout the entire system. The headquarters on Stack Street is 6,000 square feet, on one-half (1/2) acre. The move from Metro Square to Main Street would allow for an additional 3,000 square feet of floor area. The owner reports no change in their banking relationship, characterized as satisfactory. However, he noted that banks now expect more from their customers. The Company is looking to establish additional banking relationships. The owner reports significant impact from the credit crunch, but no defense dependency. Municipal services were seen as satisfactory, except for public parking in the downtown.

The owner has desires of seeing more local purchasing through the City's Purchasing Department, noting that the Middletown school system does more local purchasing and has established a good relationship with the company; and that they are the only local office supply remaining in Middletown.

The company serves many State agencies, particularly, the Purchasing Division. The owner is interested in small business assistance from DED and noted that set-aside programs are a problem. CL&P has been helpful in energy conservation through re-lamping their stores.

Concerning recommendations, the owner suggested the local City bid process be more receptive to local vendors, that parkers not be inconvenienced by the lack of adequate space and that a "buy local" program, tying the community together, be developed. Both the City and the State need to encourage investment.

This Company seems to be a prime candidate for the REINVEST Program and whatever other assistance may be gained from CDA or DED.

INTERVIEW NUMBER: 99
DATE: 6/26/92
CONTACT: Carl Hayn

NAME: Carl Hayn
TITLE: CEO
COMPANY: Hayn Industries
ADDRESS: 498 East Main Street
Middletown, CT 06457
PHONE: 346-4784

The owner's business is a world-wide producer of marine rigging hardware. Approximately 15% of his product is exported - a number which could increase through development of the Asian market. Commercial applications have been made from the marine industry, for example, turn buckles are used in Newport and Miami, on Paul Newman's bridge, Hollywood sets and department store displays.

The owner reports significant financial difficulties during the past several years, largely due to non-producing real estate investments. Gross sales increased steadily through 1990, but suffered a 9% loss in 1991. 1992, through most of June, is 133% ahead of the first six months of 1991. These sales have offered some optimism to the owner who is looking for capital to expand his operation by 4,000 square feet and to consummate an agreement to purchase an Italian manufacturer of hardware fittings. The owner is interested in any State program through the Department of Economic Development or CDA. He previously met with a DED representative on May 21, 1992.

The owner employs eleven (11) full time and one (1) part time worker. While currently on one shift, he is moving toward a second shift since many are working 44 hours a week. The company is on the owner's property of two acres and currently occupies 2,000 square feet. Because of his difficulty in securing State financial assistance, he has talked about moving to Virginia. To retain his operation in Middletown, he requires State financing and/or help from local banks. The magnitude of his needs are approximately \$200,000 for building and equipment. The owner characterized his banking relationship as unsatisfactory and cited severe cash flow problems. The bank charges fees for uncollected funds; he has difficulty in collecting from his customers.

To cure financial problems outside of the business, the owner is considering selling the development rights to 120 acres of prime farm land.

Concerning municipal services, the only problem is street maintenance.

Regarding contact with the State of Connecticut, he cited dissatisfaction with the Connecticut Development Authority through which he applied for assistance. He tried to secure new product financing through Connecticut Innovations, Inc. with no success.

He felt the City should hold a workshop to discuss problems in common with manufacturers.

INTERVIEW NUMBER: 100
DATE: 7/21/92
CONTACT: Richard Bergan

NAME: Richard Bergan
TITLE: President
COMPANY: Bergan Architectural Woodwork
ADDRESS: 171 North Main Street
Middletown, CT 06457
PHONE: 346-0869

The product is architectural woodworking, primarily for institutional and commercial buildings, servicing all of New England except Maine. Competition is 20+ shops throughout Connecticut with principal competition in Newington and South Windsor.

The company has been in existence since 1977 and typically serves as a subcontractor to larger jobs. Mr. Bergan relies upon general contractors and Dodge Reports for identifying potential projects. During the Winter and Spring of 1991-92, Bergan bid on 37 different jobs without winning a contract. During this time, competitors underbid and took jobs at a loss. His response has been to lay off employees. At the Company's employment height in the late 1980's, they had 28 employees - eight (8) at the main office and twenty (20) installers located in the field. There are now five (5) full-time employees; they will remain at that level for the foreseeable future.

The shop consists of 4,000 square feet on one-quarter (1/4) acre of owned property. Because the site is limited, the owner is looking to expand to 10,000-12,000 square feet on another site in Middletown within the next five years. The owners primary banking relationship has changed significantly in the past several years, now characterized as unsatisfactory.

Generally, municipal services are satisfactory. Negative comments relate to the constant dumping of mud along North Main Street and the need for better synchronization of the traffic signal at Grand and Main Street. He feels that the cars, coming out of Grand Street and making a left (turn north), create a hazardous situation with those coming out of Rapallo Avenue and, therefore, there should be a delay. The owner has used the Connecticut Jobs Service, but has never tried to secure work through the small business set-aside (he prefers to stay away from public works projects).

In short, the owner is not currently seeking any public assistance but is a candidate for help in locating a new site and financing when the time for expansion arrives.

INTERVIEW NUMBER: 101
DATE: 7/21/92
CONTACT: Tom Ball

NAME: Tom Ball
TITLE: Manager
COMPANY: Sears Roebuck & Co.
ADDRESS: Riverview Center
Middletown, CT 06457
PHONE: 347-6911

The manager indicated the future of this Sears store was very uncertain owing to several circumstances, the most relevant being the imminent opening of a new Sears in the Meriden Square shopping mall. they had recently poured a lot of money into the renovating of the Middletown store; however, the lease on the building will expire in March of 1994, and Sears headquarters will not be announcing whether it will seek a renewal until December or January. If it were to stay, the store may be scaled down to some degree or its focus changed. The Automotive component, on the other hand, is doing well and will probably stay.

Sears management feels it is suffering severely from the loss of most of the parking garage (the arcade) behind the store. It's customers are not happy using the Middlesex Mutual Assurance garage and the availability of parking in the remainder of the arcade is poorly publicized. In order to attract more customers, the store has been heavily refurbished; however, the building itself has physical flaws which are a hindrance.

Sears employs forty (40) full time and, seasonally 60-80 more part time people, and expects that rate to remain stable at least through the term of the lease. Although they do not have serious problems with the City services beyond the garage/Courthouse issue, this Company would not locate in Middletown again because it does not have a shopping mall and it does have metered parking.

In the interim, some of the things the City could do to improve the business climate are: to try to change the pessimistic attitude of the business community; to resolve the parking loss issue and publicize the availability of the lower arcade; and improve public bus transportation by running shuttles around town.

Since all financial and major policy decisions are made in Chicago, this store awaits their decision regarding its future.

**MAYOR'S TASK FORCE
BUSINESS RETENTION
SURVEY**

FINAL REPORT

SEPTEMBER 1992

Prepared by:

J. R. Belair & Company

PO Box 2523

Middletown, Connecticut 06457

Jean R. Belair, Jr.

President

and

City of Middletown

Municipal Development Office

William M. Kuehn, Jr.

Director

APPENDIX II

ACTION SHEET

<u>COMPANY</u>	<u>CONTACT</u>	<u>NEEDS ASSESSMENT</u>
Continental Fab, Inc.	Sal DiMauro	<ul style="list-style-type: none"> * Small business set – aside * Business counseling * Leasing assistance
Amato's, Inc.	Vin Amato	<ul style="list-style-type: none"> * No action
Bradlees	Allan Bourne	<ul style="list-style-type: none"> * Follow up with MATS * Follow up with senior housing
Engineered Handling Sys.	Joe Turecek	<ul style="list-style-type: none"> * CDA financing issues * Site location assistance * Business Retention efforts * Grant and loan preparation
Bourdon Forge Company	Pat Bourdon Peter Bourdon	<ul style="list-style-type: none"> * Assist with CDA refinancing * Investigate land purchase * Taxpayer assistance plan * Innovations, Inc.
Color Mart	Paul Gousse	<ul style="list-style-type: none"> * Assist with Chamber coordination
Middlesex Mutual	Jim Matschulat	<ul style="list-style-type: none"> * Possible real estate marketing assistance * Joint venture proposals * Increase executive communications with Mayor * Develop positive Police relationship
Formatron Equipment	Darwin Gillett	<ul style="list-style-type: none"> * Develop working capital loan source * Investigate new building alternatives * Prepare CDA financing package
Middletown Plate Glass	Philip Redford	<ul style="list-style-type: none"> * No action
Atticus Book Store	Charles Negaro	<ul style="list-style-type: none"> * Assist with cafe development * Prepare financing alternatives * Coordinate permitting & regulatory review * Financing assistance
Middletown Toyota	Joe Klimas	<ul style="list-style-type: none"> * Encourage dialogue with City staff * Possible Mayor's visit * Encourage future cooperation

ACTION SHEET

<u>COMPANY</u>	<u>CONTACT</u>	<u>NEEDS ASSESSMENT</u>
Advanced Belt Technology	Bill Stevenson	<ul style="list-style-type: none"> * Investigate public incentives (grants, loans, abatements) for growth * Assist with expansion options * Coordinate legislative access to Postal system bidding
Advest, Inc.	Soll Goldenthal	<ul style="list-style-type: none"> * Assist Chamber involvement * Possible Mayor's Task Force member?
Carrier Building Systems	Harry Hart	<ul style="list-style-type: none"> * Follow up office leasing status * Assist with site selection within Middletown * Sales call from HELCO and recycle coordinator
Alpha Circuits, Inc. Printed Circuit Service	Bob Quirk	<ul style="list-style-type: none"> * Prepare tax payer assistance program * Review financing needs * Assist with business financing (CDA, bank loans, etc.)
McInerney's Greenhouses	Charles McInerney	<ul style="list-style-type: none"> * Assist with marketing plan * CSBDC Assistance * SBA Assistance
Sullivan Dental Equip.	Ron Staniszewski	<ul style="list-style-type: none"> * Access to City bidding * Assist with office relocation within Middletown
Alpha Studio	Harvey Goldstein	<ul style="list-style-type: none"> * Assist with relocation within CBD * Assist with marketing efforts through CSBDC, SBA, etc.
Century 21 - Cubeta Realty	Enza Cubeta	<ul style="list-style-type: none"> * Assist with lease up of buildings
Young's Printing	Steve Young	<ul style="list-style-type: none"> * Business financing * Relocation assistance within Middletown
National Paint & Wallpaper	Seb Giacco	<ul style="list-style-type: none"> * Monitor pending business sale and assist new owner(s) to remain in Middletown CBD
ABC Tool, Inc.	John Krawood	<ul style="list-style-type: none"> * CDA financing * Export assistance * Job training programs * Utility rates * Federal contract procurement
Vinci Coal Company	Rosemarie Vinci	<ul style="list-style-type: none"> * Relocation counseling * Development assistance

ACTION SHEET

<u>COMPANY</u>	<u>CONTACT</u>	<u>NEEDS ASSESSMENT</u>
Middletown Manufacturing	Ed Loveland	<ul style="list-style-type: none"> * CDA financing * Manpower and job training programs * Property tax relief * DPW coordination
Newtown Manufacturing	Ron D'Elia	<ul style="list-style-type: none"> * Monitoring * Relocation candidate
Sterling Realtors	Jackie Williams	<ul style="list-style-type: none"> * No action
Farmers & Mechanics	Biff Shaw	<ul style="list-style-type: none"> * Improve communication strategy * Re-involve Mayor in relationship
Coca-Cola Bottling Co.	Tim Carey	<ul style="list-style-type: none"> * Courtesy follow-up by Police Department * Monitor business "as needed"
Didato's Oil Service	Mary DiDato	<ul style="list-style-type: none"> * Review special taxing district * Monitor pending sale of business
LCI Ford, Inc.	Rubina Liebman	<ul style="list-style-type: none"> * DPW follow-up re: sidewalk issues * Clean at Arrigoni Bridge * Meech & Stoddard code enforcement issues * Possible anchor in North End Industrial Park
Connecticut National Bank	Roxane Harabedian	<ul style="list-style-type: none"> * Establish Banker Pool/loans * Increase civic involvement
Shaw Belting Company	Ron Marut	<ul style="list-style-type: none"> * Establish linkage with City staff * Assist w/technical marketing through CSBDC, SBA, etc.
Kabel's Luggage Shops	Eric Kabel	<ul style="list-style-type: none"> * Follow up with Police and parking issues * Assist with corporate relocation * Assist with retail consolidation
Old Mill Wayside Furniture	Sandy Larson	<ul style="list-style-type: none"> * Provide CT DOT liaisons & solutions to water in building * Assist with permit maintenance for "mini mall"
Grossman's Lumber	John Shields	<ul style="list-style-type: none"> * Introduction to active Chamber membership * Possible City purchase at store

ACTION SHEET

<u>COMPANY</u>	<u>CONTACT</u>	<u>NEEDS ASSESSMENT</u>
Madrigal Audio Lab	Sandy Berlin	<ul style="list-style-type: none"> * Follow up asset-based lending needs * Refinance CDA mortgages * Export assistance/State * Connecticut Innovations, Inc.
Dzialo, Pickett & Allen	Phil Karpel	<ul style="list-style-type: none"> * Explore relocation to Middlesex Mutual building * Present other relocation options in CBD
Bob's Stores	Dave Wilson	<ul style="list-style-type: none"> * Follow up re: Police and parking issues * Maintain and improve communication(s)
Ins. & Real Estate Ctr.	Bob Curtin	<ul style="list-style-type: none"> * Parking needs/Court House construction
Liberty Bank	Rick Bellows	<ul style="list-style-type: none"> * Develop ADA training sessions (implementation) w/City * "Tap" leader for downtown redevelopment expertise
Bertz Graphic Design	Ted Bertz	<ul style="list-style-type: none"> * Utilize volunteer assistance * Brochure and marketing skills * Possible CBD assistance
The Mohawk Manufacturing	Bill Ferguson	<ul style="list-style-type: none"> * Improve Fire/Police image * Follow up re: public incentive issue * Increase communication
Mark H. Quattro, Attorney	Mark Quattro	<ul style="list-style-type: none"> * No Action
Northeast Utilities	Dave Meigs	<ul style="list-style-type: none"> * Coordinate Pratt & Whitney and NEU training sessions * Encourage local management interaction and Economic Deveopment planning
ITT Skotch	Frank Buchanan	<ul style="list-style-type: none"> * Develop ITT repair facility location in Middletown
Heitco Manufacturing	Vin Scarrozzo	<ul style="list-style-type: none"> * Prepare refinance package * Follow up with defense diversification funding * Property tax payment plan * Develop source of working capital
Printed Circuit Services	Bob Quirk	<ul style="list-style-type: none"> * See Alpha Circuits
LABCO Welding	Vin LaBella	<ul style="list-style-type: none"> * Assist w/property expansion (financing, permitting, etc.)
Rayco, Inc.	Adler Dobkin	<ul style="list-style-type: none"> * Assist with new business development

ACTION SHEET

<u>COMPANY</u>	<u>CONTACT</u>	<u>NEEDS ASSESSMENT</u>
Prototype & Plastic Mold	Murray Gerber	* Assist "loaned executive" as needed with refinancing
UTC Pratt & Whitney	George Katsarakis	* Follow up with educational suggestion
Comcast Cablevision	Tom Coughlin	* Maintain dialogue
Town & Country Auto	Mickey Augeri	* Assist with finance needs
Richard E. Knotek, CPA	Richard Knotek	* Encourage active involvement in CBB * Assist with relocation efforts
Brown, Coughlin & Gomola	Gary Gomola	* No Action
K. Gronbach & Assoc.	Ken Gronbach	* Permitting assistance * Follow up facade financing * Coordinate DPW follow up
Rayco Metal Finishing	Mark Goldreich	* Monitor sales * Assist with DEP requirements
Garlinghouse Company	Whitney Garlinghouse	* Relocation assistance * Tax deferrals * CDA/DED financing
ABB Service Company	Charles Embree	* Business relocation assistance
Fiasco Restaurant	Mike Winham Steve Winham	* Market Analysis * Business plan development * Marketing expertise
Northland Corporation	Winthrop Guptill	* Monitor sales * DPW follow up
Wesleyan University	William Adams	* Assist "Bro" with Mayor's Task Force efforts * Encourage active involvement in efforts to improve CBD * Follow up with data
Pompey's Restaurant	Diane Labbadia	* Develop marketing plan * Police follow up * Assist with parking issue * Environmental issues * Job training monies

ACTION SHEET

<u>COMPANY</u>	<u>CONTACT</u>	<u>NEEDS ASSESSMENT</u>
JEM Wire Products	John Muzik	<ul style="list-style-type: none"> * Relocation assistance * Grants/loans for real estate * Working capital loans * Environmental issues * Job training monies
Jackson Chevrolet	Fred Jackson	<ul style="list-style-type: none"> * Coordinate DPW issues * Assist with resolution of law suit
Super Stop & Shop	Charles Frazier	<ul style="list-style-type: none"> * Coordinate Bradlees construction * Monitor store sales
Middlesex Hospital	Robert Kiely	<ul style="list-style-type: none"> * Coordinate Middletown 2000 exercise and ongoing efforts at business retention * Integrate facility manager and CBD merchants
Caldors	Steve Robbins	<ul style="list-style-type: none"> * Follow up MATS schedule * Resolve Health Department Issues * Restore positive relationship with city
Friendly Ice Cream	Jillian Joyce	<ul style="list-style-type: none"> * Access to job training * Assist with marketing * Possible Mayor's breakfast idea
S.G. Marino Crane	Larry Marino	<ul style="list-style-type: none"> * Re-establish local relationship with DPW
Environmental Science	Susan Dzialo	<ul style="list-style-type: none"> * Assist with marketing plans * Monitor sales * Possible relocation assistance
Atlantic Detroit Diesel	Michael McNeil	<ul style="list-style-type: none"> * Revitalize relations with City staff * Monitor sales * Job training grants/loans
Real Estate Services of CT	Bob Fusari	<ul style="list-style-type: none"> * Discuss development forum concept with City * Assist with permitting and inspections * Monitor sales
Vision Corner	John Kapelewski	<ul style="list-style-type: none"> * Coordinate North End Revitalization w/retail sales effort * Follow through with "SRO" issues * Monitor sales

ACTION SHEET

<u>COMPANY</u>	<u>CONTACT</u>	<u>NEEDS ASSESSMENT</u>
The Flatley Company	Charles Cummings	<ul style="list-style-type: none"> * Monitor sales * Maintain communications * Assist with permit maintenance
Bergan Architectural Wdwb	Richard Bergan	*Future assistance with expansion/relocation
Best Cleaners	William McCann	*Reenergize South Main Street business area
Bull Metal Products	David Reler Steve Bull	<ul style="list-style-type: none"> *Northeast Utilities *Possible assistance with State and Federal Regulations *Future expansion
Harriet Amanda Chapman	Amanda Chapman	*Encourage tie-in with retail marketing community
Connecticut Rental Center	Robert Byrne	*No action
Coughlin & Coughlin	Thomas Coughlin	*No action
Dainty Rubbish Services	Michael Armetta	<ul style="list-style-type: none"> *Assistance with DEP on permits *Future relocation in City
Hayn Industries	Carl Hayn	<ul style="list-style-type: none"> *Facilitate good working relationship with DED *City hold workshops for manufacturers *CDA assistance *Future expansion
Hazen's Office Interiors	Shane McCarty	*No action
Hillside Industries	John Formica	*No action
Master Industrial Supply	Richard King	<ul style="list-style-type: none"> *Help with leasing up in North End – Housing Authority *Taxpayer assistance plan *Walking patrol by police and substation *Purchasing
McAuliffe Communications	Howard McAuliffe	<ul style="list-style-type: none"> *Assist with City bidding *Assist with more retail visibility
Monte Green Inn	Dorothea Cecchini William Cecchini	<ul style="list-style-type: none"> *Chamber coordinating especially tourism *Assist with business plan *Reenergize South Main Street business area

ACTION SHEET

<u>COMPANY</u>	<u>CONTACT</u>	<u>NEEDS ASSESSMENT</u>
Mueller Trade Bindery Corp.	Werner Mueller Al Mashio	*No action
NAPA Distribution	Jospeh Ferraro	*No action
New Haven Savings Bank	Bernadette Pattavina Patricia Williams	*Involve with City loan programs *Improve City services in area
Northeast Company	Richard O'Connor	*CT Small Business Set—Aside *Federal contract procurement services *Future expansion
Paul's Auto Body	Paul Schukoske	*Zoning enforcement of unlicensed shops
Pelton's Drug Store	Gerard Weltzman	*Government programs to finance growth *Small Business Set—Aside
Plastic Design, Inc.	Phil Parda	*CT Innovations *Northeast Utilities
Rapidprint	Don Bidwell, Sr.	*Future assistance with expansion
Raymond Engineering	Hugh Cox	*Defense diversification help *Northeast Utilities rates for K—Ramics *CDA for K—Ramics move
Safe Way Disposal Systems, Inc.	Martin Smith	*Future expansion *CDA Financing *City promote business environment *CT Innovations
Suburban Stationers, Inc.	David Shulman	*City purchasing *Possible REINVEST for Main Street store *DED Small Business Assistance
Walbaum's Food Mart	Joseph Shipshack	*Reduce redundant inspections

**MAYOR'S TASK FORCE
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APPENDIX III

John Krawood, President
ABC Tool, Inc.
111 Industrial Park Road
Middletown, CT 06457

Robert F. Quirk, President
Alpha Circuits, Inc.
331 East Main Street
Middletown, CT 06457

Pat & Peter Bourdon, Owners
Bourdon Forge Company, Inc.
99 Tuttle Road
Middletown, CT 06457

Joseph J. Turecek, Owner
Engineered Handling Systems, Inc.
34 Industrial Park Place
Middletown, CT 06457

Darwin L. Gillett, President
Formatron Equipment Corporation
128 Main Street Extension
Middletown, CT 06457

Vincent S. Scarrozzo, President
Heitco Manufacturing
60 Tuttle Road
Middletown, CT 06457

John E. Muzik, President
JEM Wire Products, Inc.
50 Walnut Street
Middletown, CT 06457

Sanford Berlin, Chief Executive
Madrigal Audio Laboratories, Inc.
2081 South Main Street
Middletown, CT 06457

J.R. BELAIR & COMPANY

POST OFFICE BOX 2523
MIDDLETOWN, CONNECTICUT 06457
(203) 346-3411

August 13, 1992

Thank you for participating in the Mayor's Business Retention Survey. Your comments, observations and historical perspective are of great value to me as we attempt to structure the follow up portion of this innovative economic development exercise.

As I explained to you, our conversation was not a one time effort, but is part of an ongoing dialogue with City businesses. The Mayor is committed to developing both long and short range strategies to make the City more user friendly, to address your business needs, and to assist you in your business development.

Either myself or a staff member from the Municipal Economic Development Department will soon be following up on some of your concerns and needs. If I can be of any immediate assistance please do not hesitate to call me at 346-3411.

Once again, thank you for your time and your efforts to assist the Mayor and City of Middletown.

Very truly yours,

Jean R. Belair, Jr.
President

JRB/per

Charles W. Embree, General Manager
ABB Service Company
34 Industrial Park Place
Middletown, CT 06457

William H. Stevenson, Vice President
Advanced Belt Technology
150 Industrial Park Road
Middletown, CT 06457

Soll M. Goldenthal, Vice President
Advest, Inc.
100 Plaza Middlesex
Middletown, CT 06457

Harvey Goldstein, Vice President
Alpha Studio
70 Riverview Center
Middletown, CT 06457

Michael W. McNeil, Branch Manager
Atlantic Detroit Diesel Allison, Inc.
300 Smith Street, PO Box 2781
Middletown, CT 06457

Charles Negaro, President
Atticus Book Store
45 Broad Street
Middletown, CT 06457

Ted Bertz, President
Bertz Graphic Design, Inc.
190 Washington Street
Middletown, CT 06457

Allan Bourne, Store Manager
Bradlees
651 South Main Street
Middletown, CT 06457

Steve Robbins, Store Manager
Caldors
Washington Street
Middletown, CT 06457

Harry R. Hart, Operations Manager
Carrier Building Systems & Services
14 Industrial Park Place
Middletown, CT 06457

Enza Cubeta, Owner
Century 21 - Cubeta Realty
955 South Main Street
Middletown, CT 06457

Tim Carey, General Manager
Coca-Cola Bottling Company of Middletown
310 South Main Street
Middletown, CT 06457

Paul Gousse, President/Owner
Color Mart
41 Broad Street
Middletown, CT 06457

Roxane Harabedian, Vice President
Connecticut National Bank
363 Main Street
Middletown, CT 06457

Sal DiMauro, President
Continental Fab, Inc.
50 Walnut Street
Middletown, CT 06457

Mary Didato, President
Didato's Oil Service
151 William Street
Middletown, CT 06457

Susan M. Dzialo, Secretary & Treasurer
Environmental Science Corporation
362 Industrial Park Road
Middletown, CT 06457

Mike & Steve Winham, Owners
Fiasco Restaurant
98 Washington Street
Middletown, CT 06457

Jillian Joyce, Manager
Friendly Ice Cream
851 Washington Street
Middletown, CT 06457

John B. Shields, General Manager
Grossman's Lumber
909 Washington Street
Middletown, CT 06457

Robert J. Curtin, Vice President
Insurance & Real Estate Center, Inc.
124 Court Street
Middletown, CT 06457

B. Frank Buchanan, Manager
ITT Skotch
19 Tuttle Place
Middletown, CT 06457

Frederick L. Jackson, President
Jackson Chevrolet Company
660 South Main Street
Middletown, CT 06457

Eric R. Kabel, Executive Vice President
Kabel's Luggage Shops, Inc.
331 East Main Street
Middletown, CT 06457

Vincent J. LaBella, President
LABCO Welding, Inc.
129 Industrial Park Road
Middletown, CT 06457

Rubina Liebman, Owner
LCI Ford, Inc.
55 North Main Street
Middletown, CT 06457

Charles T. McInerney, Owner
McInerney's Greenhouses
929 Middle Street
Middletown, CT 06457

Ed Loveland, President
Middletown Manufacturing Company
29 Stack Street
Middletown, CT 06457

Philip H. W. Redford, President
Middletown Plate Glass Company, Inc.
40 Union Street
Middletown, CT 06457

Joseph J. Klimas, Jr., Vice President
Middletown Toyota
634 Newfield Street
Middletown, CT 06457

Sebastian Giacco, Owner
National Paint & Wallpaper Co., Inc.
32 Washington Street
Middletown, CT 06457

Ron D'Elia,
Newtown Manufacturing Corp.
180 Johnson Street
Middletown, CT 06457

Winthrop Guptill, President
Northland Corporation
446 Smith Street
Middletown, CT 06457

Edward J. Larson, Jr., Owner
Old Mill Wayside Furniture Company
675 Washington Street
Middletown, CT 06457

Diane Labbadia, Owner
Pompey's Restaurant
52 Rapallo Avenue
Middletown, CT 06457

Mark Goldreich, Vice President
Rayco Metal Finishing, Inc.
134 Mill Street
Middletown, CT 06457

M. Adler Dobkin, President
Rayco, Inc.
80 Industrial Park Road
Middletown, CT 06457

Bob Fusari, President
Real Estate Service of Connecticut
55 High Street
Middletown, CT 06457

Richard E. Knotek, Owner
Richard E. Knotek, CPA
700 Plaza Middlesex
Middletown, CT 06457

Larry Marino, President
S.G. Marino Crane Service, Inc.
Mill Street
Middletown, CT 06457

Ronald J. Marut, President
Shaw Belting Company
80 Industrial Park Road
Middletown, CT 06457

Jacquelyn Williams, Owner
Sterling Realtors
South Main Street
Middletown, CT 06457

Ronald Staniszewski, Manager
Sullivan Dental Equipment, Inc.
362 Industrial Park Road
Middletown, CT 06457

Charles Frazier, Manager
Super Stop & Shop
Russell Square, E. Main Street
Middletown, CT 06457

Charles H. Cummings, Director of Real Estate Developm
The Flatley Company
Fifty Braintree Hill Office Park
Braintree, MA 02184

Whitney B. Garlinghouse, President
The Garlinghouse Company
34 Industrial Park Place
Middletown, CT 06457

William W. Ferguson, Jr., President
The Mohawk Manufacturing Company
1270 Newfield Street
Middletown, CT 06457

Michael R. Augeri, President
Town & Country Auto Sales, Inc.
750 Newfield Street
Middletown, CT 06457

Rosemarie Vinci, President
Vinci Coal Company
1000 Newfield Street
Middletown, CT 06457

John Kapelewski, Owner
Vision Corner
460 Main Street
Middletown, CT 06457

Steve Young, Owner
Young's Printing
182 Court Street
Middletown, CT 06457

J.R. BELAIR & COMPANY

Post Office Box 2523
MIDDLETOWN, CONNECTICUT 06457
(203) 346-3411

August 13, 1992

Thank you for participating in the Mayor's Business Retention Survey. Your comments, observations and historical perspective are of great value to me as we attempt to structure the follow up portion of this innovative economic development exercise.

As we begin to develop some of those ideas and recommendations that you shared with me, I will keep you informed of progress. Hopefully, the City will incorporate some of your thoughts and ideas in the creation of a dynamic and challenging business retention program.

Again, thank you for your time and cooperation. I will update you periodically on our progress as we focus on the program development and implementation phase of this business retention program.

Very truly yours,

Jean R. Belair, Jr.
President

JRB/per

Vincent Amato, Owner
Amato's, Inc.
395 Main Street
Middletown, CT 06457

Dave Wilson, President
Bob's Stores
160 Corporate Court
Meriden, CT 06450

Gary Gomola, Partner
Brown, Coughlin & Gomola, CPA's
98 Washington Street, Suite 330
Middletown, CT 06457

Tom Coughlin, General Manager
Comcast Cablevision of Middletown, Inc.
19 Tuttle Place
Middletown, CT 06457

Philip F. Karpel, Attorney at Law
Dzialo, Pickett & Allen, P.C.
55 High Street, PO Box 661
Middletown, CT 06457

Ralph H. Shaw, II, President
Farmers & Mechanics Bank
225 Main Street
Middletown, CT 06457

Ken Gronbach, President
K. Gronbach & Associates, Inc.
151 Broad Street
Middletown, CT 06457

Kendrick F. Bellows, Jr., President
Liberty Bank for Savings
315 Main Street
Middletown, CT 06457

Mark H. Quattro, Attorney at Law
520 Saybrook Road, Suite 103
Middletown, CT 06457

Robert Kiely, President
Middlesex Hospital
Crescent Street
Middletown, CT 06457

James O. Matschulat, President
Middlesex Mutual Assurance Company
213 Court Street, PO Box 891
Middletown, CT 06457

David Meigs, General Manager
Northeast Utilities
49 Randolph Road
Middletown, CT 06457

Murray A. Gerber, President
Prototype & Plastic Mold Company, Inc.
35 Industrial Park Place
Middletown, CT 06457

George S. Katsarakes, Plant Manager
United Technologies Pratt & Whitney
Aircraft Road M/S 401-15
Middletown, CT 06457

William Adams, Executive Assistant to the President
Wesleyan University
North College
Middletown, CT 06457

J.R. BELAIR & COMPANY

POST OFFICE BOX 2523
MIDDLETOWN, CONNECTICUT 06457
(203) 346-3411

August 14, 1992

Thank you for participating in the Mayor's Business Retention Survey. Your comments, observations and historical perspective are of great value to me as we attempt to structure the follow-up portion of this innovative economic development exercise.

As we begin to implement City programs to provide economic assistance to businesses in Middletown, we shall follow up and contact you. You can be assured that your firm is an integral part of our ongoing efforts to support Middletown businesses. It is my hope and expectation that we can play a direct and active part in the growth of your company and its profitability.

Once again, thank you for your time and your efforts to assist the Mayor and the City of Middletown.

Very truly yours,

Jean R. Belair, Jr.
President

JRB/per

A C T I O N S H E E T

- A List: Companies which could use immediate assistance
- B List: Companies which would benefit from assistance in the future
- C List: Companies which do not need assistance

	<u>COMPANY</u>	<u>CONTACT</u>
A	Northeast Company	Richard O'Connor
A	Paul's Auto Body	Paul Schukoske
A	Pelton's Drug Store	Gerard Weitzman
A	Plastic Design, Inc.	Phil Parda
A	Raymond Engineering	Hugh Cox
A	Safe Way Disposal Systems, Inc.	Martin Smith
A	Suburban Stationers, Inc.	David Shulman
A	Dainty Rubbish Services	Michael Armetta
A	Hayn Industries, Inc.	Carl Hayn
A	Master Industrial Supply	Richard King
A	Monte Green Inn	Dorothea Cecchini
		William Cecchini
B	New Haven Savings Bank	Bernadette Pattavina
		Patricia Williams
B	Rapidprint	Don Bidwell, Sr.
B	Waldbaum's Food Mart	Joseph Shipshack
B	Bergan Architectural Woodworking	Richard Bergan
B	Best Cleaners	William McCann
B	Bull Metal Products	David Reier/Steve Bull
B	Harriet Amanda Chapman	Amanda Chapman
B	McAuliffe Communications	Howard McAuliffe
C	Mueller Trade Bindery Corp.	Werner Mueller/Al Mashio
C	NAPA Distribution	Joseph Ferraro
C	Connecticut Rental Center	Robert Byrne
C	Coughlin & Coughlin	Thomas Coughlin
C	Hazen's Office Interiors	Shane McCarty
C	Hillside Industries	John Formica